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General

GATT Negotiator Opposes Delay of Negotiation Process

OW0912171894 Beijing XINHUA in English 1656
GMT 9 Dec 94

[FBIS Transcribed Text] Geneva, December 9 (XINHUA)—Chinese chief negotiator Long Yongtu said here today that any delay of the negotiation process for China's entry to World Trade Organization (WTO) will jeopardize the effectiveness and universality of WTO.

Addressing an annual session of members of the General Agreement on Tariffs and Trade (GATT) which opened here on Thursday [8 December], Long said that China's relationship with WTO is one of mutual need.

"The participation of China in the multilateral trading system will not only benefit China but also the whole world," said Long, also minister assistant of foreign trade and economic cooperation.

He said that WTO, which will replace GATT on January 1, 1995, should draw useful experience and lessons from GATT which has its fundamental defect of not taking into consideration of the interests of developing countries, and has thus never had the benefit of universality in its real sense.

China's decision to return to the multilateral trading system has been made first of all out of its need to promote its reform policy and opening-up, Long said.

Moreover, the decision is also a demonstration of China's support to the multilateral trading system and firm commitment to undertake the international responsibility and obligations in handling the international economic and trade relations, he added.

"No matter when China is able to join WTO, China will continue to uphold its reform policy and opening-up and will make every effort to create not only a free, but more importantly, a fair world trading system," Long said.

China, the world's 11th largest trading power, has been negotiating its re-entry into GATT for eight years, the longest in GATT history.

The December 31 deadline, which set by China to complete the substantive talks, has begun to play a positive role in the negotiations, Long said.

More on Address

OW1012012294 Beijing XINHUA Domestic Service in Chinese 1640 GMT 9 Dec 94

[By reporter Ban Wei (3803 3837)]

[FBIS Translated Text] Geneva, 9 Dec (XINHUA)—Addressing the 50th annual meeting of the GATT contracting parties on 9 December, Long Yongtu, Chinese chief negotiator for re-entering GATT and assistant

minister of foreign trade and economic cooperation, said: China and the World Trade Organization [WTO] need each other. Any action to continue delaying the negotiation process for China's entry to the WTO will jeopardize the universality and effectiveness of the WTO.

Long Yongtu said: Over the past 47 years, GATT has played an important role in establishing and perfecting a multilateral trading system, and in the process of developing world economy and trade. Owing to the limitations of historical environment at the time of its establishment and the adverse influence of present international politics and economic realities, however, GATT has had a serious defect from the beginning. Moreover, GATT has never had the benefit of universality in its real sense since its inauguration. The WTO, which will be established soon, should draw useful experience and lessons from GATT, which has a history of several decades.

He said: China has exerted eight years of unremitting efforts in order to return to the multilateral trading system. China's return to the multilateral trading system is, first of all, due to its own need to promote the policies of reform and opening up; it also demonstrates China's support for the international multilateral trading system, and willingness to undertake the responsibility and obligations in international economic and trade relations.

Long Yongtu said: At this important turning point while GATT is giving way to WTO, however, the issue of China's re-entry to GATT has not been satisfactorily settled. The Chinese Government recently decided that substantive negotiations on China's re-entry to GATT must be completed within this year. Now that more and more contracting parties are beginning to understand the seriousness of this decision, it is starting to play a positive and promoting role in negotiating China's re-entry to GATT.

Long Yongtu noted: While negotiating its re-entry to GATT, China has participated in GATT's Uruguay Round of trade talks in an all-round way and has endorsed the final agreement. This is a solemn demonstration that China has met the most important requirement for joining the WTO and any action to continue delaying the negotiation process for China's entry to the WTO will jeopardize the universality and effectiveness of the WTO.

Long Yongtu finally noted: The Chinese Government has always believed that the relations between China and the WTO are that of mutual need. China's participation in the multilateral trading system will not only benefit China, but also the world. No matter when China joins the WTO, it will always uphold the policies of reform and opening up, and support the establishment of a world trade order, which is not only liberal, but also fair.

Before the opening of the WTO agreement implementation conference on 8 December, Long Yongtu had

briefed nearly 40 permanent ambassadors of developing countries to Geneva and high-ranking diplomats in charge of GATT affairs on the situation of China's negotiations for re-entering GATT. After the meeting, many representatives of developing countries reiterated their support for China's goal of completing the GATT negotiations within this year, and hoped that China would join the WTO as soon as possible.

Ties Between PLA, Foreign Armies Hailed

OW0912152894 Beijing XINHUA in English 1502 GMT 9 Dec 94

[FBIS Transcribed Text] Beijing, December 9 (XINHUA)—A representative of foreign military attaches based in Beijing, speaking at an annual get-together dinner tonight, called for further enhancing mutual understanding and cooperation between the People's Liberation Army (PLA) and the armies of foreign countries.

Proposing a toast, Mukuta Sandjamba [name as received], head of the Beijing-based Foreign Military Attaches Corps and military attache of Zaire, noted that the existing relations between PLA and the armies of countries the corps represent "Have been developing with each passing year."

He called it an important part of the military attaches' work to develop cooperation with the PLA, and in doing so, work together towards world peace and stability.

In his reply Fu Jiaping, director of the Foreign Affairs Bureau of the Defense Ministry, said the PLA would continue to increase its contacts with foreign armies, so as to enhance mutual understanding, exchange experience in army building and promote cooperation, thus contributing its share to the development of state-to-state relations.

Over the past years, the PLA has restored or established ties with armies in more than 60 countries, Fu said.

Zhang Wannian, chief of PLA General Staff, and Xu Huizi, deputy chief of PLA General Staff, as well as senior officers from different services and departments of PLA were invited to the get-together.

Substantial Progress Reported in U.S.-DPRK Talks

OW1012035294 Beijing XINHUA in English 0259 GMT 10 Dec 94

[FBIS Transcribed Text] Washington, December 9 (XINHUA)—U.S. officials and their counterparts from the Democratic People's Republic of Korea have resolved most of the details relating to the opening of liaison offices in each other's capital, a State Department official said today.

Speaking at a State Department briefing, Deputy Assistant Secretary of State for East Asian and Pacific Affairs

Thomas Hubbard described this week's talks in Washington between the two countries as "cooperative and constructive."

The two sides "have made substantial progress" on consular and other technical issues involved in establishing the liaison offices, he said.

The four-day talks on expert level began Tuesday [6 December]. The U.S. side was headed by Lynn Turk, coordinator for U.S.-DPRK affairs in the State Department's East Asian Bureau and the five-member delegation from Pyongyang led by Pak Sok-kyon, deputy director of the Foreign Ministry.

It was the first time an official DPRK delegation has been in Washington for government-to-government talks. A U.S. delegation will visit Pyongyang early next year to look at possible sites for a U.S. office there.

Hubbard announced that agreement had been reached on the consular issues and most of the technical issues involved. Property is a big remaining issue to resolve, he said.

The talks were still going on when he gave the briefing to the press. They will conclude later this afternoon and "we expect to get something further out on the results at that time," he said.

Establishment of liaison offices in Washington and Pyongyang was part of a framework agreed upon by the two countries in October. The Washington talks were intended as a follow-up step to implement provisions of that framework.

Asked about the level of representation in the liaison offices to be established, he said it will be the lowest allowed by the 1961 Vienna convention and the head of the liaison office will not be at full ambassadorial level.

In response to the criticism by some U.S. congressmen of the October agreement, Hubbard reaffirmed that the Clinton administration's position that the overall agreement is "in our interest and in the interest of peace and security in the region."

"The U.S. Government intends to fulfil the framework and expect the DPRK to do the same," he said.

U.S. Senators Arrive in Pyongyang

OW1112170894 Beijing XINHUA in English 1603 GMT 11 Dec 94

[FBIS Transcribed Text] Pyongyang, December 11 (XINHUA)—Two U.S. Senators, Paul Simon and Frank Murkowski, arrived here today aboard a U.S. military aircraft for a two-day visit to the Democratic People's Republic of Korea (DPRK).

They flew in from Beijing at the invitation of the Foreign Relations Committee of the Supreme People's Assembly of the DPRK.

This is the first time an American airplane has touched down on DPRK soil since the end of the Korean war in 1953.

Well-informed sources say that vice premier and Foreign Minister Kim Yong-nam and Chairman of the Foreign Affairs Committee of the Supreme People's Assembly Kim Yong-sun are expected to meet the American senators.

Simon and Murkowski are due to end their visit on Monday [12 December] afternoon and then travel to Seoul for talks with South Korean officials.

Murkowski, who will soon become chairman of the Senate Foreign Relations Committee's Subcommittee on East Asian and Pacific Affairs, has expressed reservations about the October accord signed in Geneva in which the United States agreed to arrange the supply of new nuclear reactors to North Korea.

In another development, in Washington last week officials from the U.S. and DPRK held talks on establishing liaison offices in each other's capital.

Summit of Americas To Put Forward 20 Initiatives

OW1012031294 Beijing XINHUA in English 1829
GMT 9 Dec 94

[FBIS Transcribed Text] Miami, Florida, December 9 (XINHUA)—the Summit of the Americas will put forward more than 20 initiatives for regional economic and political cooperations, U.S. President Bill Clinton said here this afternoon.

These initiatives range from trade liberalization to democracy, from environmental protection to government performance, and from fight against corruption to poverty elimination, Clinton said hours before the opening of the summit.

"This is a magic moment for the Americas," Clinton said. "For years, we have been talking about free trade across the Americas. Here in Miami, we have the chance to act. We're going to take it."

The President's speech was made amid reports that the U.S. and the 33 Latin American countries have reached an agreement to set up the American Free Trade Agreement (AFTA) by the year 2005.

"Democracy and free trade build hand in hand. Free trade means better working and living conditions for all," Clinton said, adding that the U.S. supports the idea that environmental and trade policies should be mutually supportive.

Clinton praised the economic prosperity across Latin America since 1990, noting that trade barriers in the region have been lowered, with comparatively low inflation, low debt burden. Calling Latin America the second

fastest growing economy in the world, he said now it is "remarkable, hopeful times" for the region.

The President also disclosed that the three-day summit will discuss the role of the Organization of American States (OAS), whose role in reconciling political disputes across the Americas should be strengthened.

On the North America Free Trade Agreement (NAFTA), Clinton said that nearly a year after the agreement went into effect, U.S. exports to Mexico increased 22 percent. NAFTA created some 100,000 new jobs in the first nine months of this year in the United States.

"There is not a giant sucking sound" as the result of the NAFTA implementation, Clinton said, "it's a good deal for us, it's a good deal for them."

XINHUA Analyzes Summit of Americas

OW1212000394 Beijing XINHUA in English 2326
GMT 11 Dec 94

["News Analysis" by Wang Nan: "Summit of the Americas: The Beginning Not the End"]

[FBIS Transcribed Text] Miami, Florida, December 11 (XINHUA)—The Summit of the Americas ended here today with more achievements than expected. But for the region from Alaska to Argentina, the conference is the beginning, not the end, of a historic process.

A similar meeting in Punta del Este nearly 30 years ago, called the "Conference of American Presidents" though at a much smaller scale, concluded with similar fanfare, though due to no follow-ups, it failed to have a real impact on the region.

That is perhaps why U.S. President Bill Clinton, in his final speech to the three-day summit, tried to convince his audience that he and the 33 heads of governments will ensure that "dichos become hechos" - words are turned into deeds.

However, according to observers, despite the sweeping economic reforms in Latin America, economic prosperity does not necessarily bring political stability, the prerequisite to realize the summit's goal - a free trade area in the Americas before 2005.

"The hope is there. The spirit is there, but we have to put teeth into the agreement," said Steve Stein, senior fellow at the North-South center of the University of Miami. "It's a fragile hope. If we don't have input, I think that it could fail."

The observers noted, meanwhile, that what the countries in the Americas need now is the full signing-on and a fuller distribution process to create political stability and to make the agreements signed today a reality and successful.

Failure, though, was not what the leaders had in mind when they sealed the two documents of the summit - the declaration of principles and the plan of action. With

these plans, the leaders have committed themselves to 23 separate and specific initiatives and more than 100 action steps.

These steps have such detailed actions ranging from protecting the diversity of plant and animal species to phasing out lead in the gasoline, and from reducing infant mortality to improving education and health care.

What has made the summit different from any other summits, U.S. officials said, is that the meeting is about putting a human face on the economic growth that these countries are fueling, and about making development last by investing first in people.

Except the promise of ending negotiations on the Free Trade Area of the Americas (FTAA) in 10 years, which was regarded as an unrealistic goal just a few weeks ago, the meeting, observers said, will be a catalyst in creating environmental cooperation.

Despite the long suspicion between the North and the South, the Latin American countries agreed to rapidly phase out lead in the gasoline and to join North American leaders in an environmental summit in Bolivia in 1996.

Washington also decided to support the alliance for sustainable development, an environmental protection initiative by the seven Central American countries, and agreed to channel more funds to it, saying that sustainable development must be more than simple buzzwords.

Despite the prospect of enjoying no fast-track authority from Congress from next year, the Clinton administration also made a bold step in kicking off immediately the negotiating process for Chile to join the North American Free Trade Agreement (NAFTA).

Describing Chile as "an ideal partner", President Clinton promised to the Americans that the NAFTA-Chile agreement will be a good deal, adding that NAFTA has not only increased Mexico's exports to the U.S., which is widely reported, but is a win-win-win deal for all the members.

But a promise is promise. In a passionate speech to the final session of the summit, Barbados Prime Minister Owen Arthur, speaking on behalf of the smaller and unbalanced economies in the region, disagreed with the call that Latin America now wanted trade, not aid, from the world's largest economy.

He, as well as El Salvadorian President Armando Calderon Sol, asked the bigger neighbors to take into account their own development conditions in writing the free trade agreement. "The freedom of trade needs to be carefully managed," Arthur stressed.

As to South American countries, the priority is the consolidation of sub-regional trade agreements like the South American common market, or Mercosur, the

Andean Pact, the Central American common markets and the Caricom, or the Caribbean common markets.

In addition, some countries in the region have complained that from roses to steel, from bananas to tuna, the U.S. has been raising non-tariff barriers to its southern neighbors, and the elimination of such barriers should be on top of the free trade efforts.

These countries include Columbia and Ecuador, now facing hikes in rose duties, Argentina, which faces high U.S. tariffs from leather to beef, and the Caribbean countries which complained that the U.S. is favoring Europe in banana imports.

"If the United States deserves any credit here, it is in the process by moving into the future in ways that took account of legitimate concerns of all these other nations," President Clinton told reporters today.

He stressed, in particular, that this summit represented "a remarkable partnership" between the U.S. and Brazil, which have been at odds over trade and other issues in the past.

U.S. Troops To Assist in UN Pullout From Bosnia

OW1012032794 Beijing XINHUA in English 1919
GMT 9 Dec 94

[FBIS Transcribed Text] Washington, December 9 (XINHUA)—As many as 25,000 U.S. troops would be sent to Bosnia to assist in the withdrawal of UN peace-keeping forces there if a pullout becomes necessary.

When announcing this decision here Thursday [8 December], administration officials refused to specify the size of the U.S. Force that would be involved in the evacuation operation. A senior Pentagon official only said "a substantial portion" of U.S. combat troops would be contributed to a potential NATO force designed to help some 24,000 UN peacekeepers to quit Bosnia.

According to press reports here today, President Clinton decided on the move Tuesday [6 December], at the recommendation of his senior advisers. The decision followed several days of discussions about how U.S. policy toward Bosnia would change if UN forces were withdrawn.

Until the decision was taken, Clinton had held to his position that he would commit American forces to Bosnia only to enforce a peace agreement. But given a dim prospect of finding a peaceful solution to the 32-month-old civil war in the former Yugoslav Republic, Western European countries became increasingly concerned about the safety of their personnel in the UN forces and they considered a UN pullout to be an inevitable outcome.

Under such circumstances, President Clinton believed, an administration official said, that "it is time to make it clear" that the United States would help in the evacuation.

The official disclosed that Clinton signed a memorandum Wednesday authorizing U.S. forces to take part in such an operation and his aides informed the allies and congressional leaders about it Thursday morning.

Administration officials stressed that Washington continues to believe that withdrawing the UN forces now is a mistake. But Clinton agreed to commit U.S. troops to a possible UN retreat for the sake of shoring shaky U.S.-European relations and reaffirming U.S. leadership in NATO, the officials said.

They also made it known that American ground troops sent to Bosnia would take part only in rescue operations and would leave as soon as the withdrawal was completed.

Sino-Foreign Economic Disputes Increase in Shanghai

OW1012012094 Beijing XINHUA in English 1656
GMT 9 Dec 94

[FBIS Transcribed Text] Shanghai, December 9 (XINHUA)—With the expansion of foreign trade, economic cooperation and technical exchanges, the number of disputes between Chinese and foreigners or overseas residents are increasing in China's largest economic center.

By the end of October this year, the municipal court had handled 179 such cases, up 26 percent over the same period of last year, and the Shanghai Admiralty Court had tried 187 cases involving maritime matters and business disputes which were up 67 percent.

Hu Rubang, head of the Shanghai Higher Court, has urged staff members to pay special attention to protecting the legal rights of all parties concerned in an attempt to establish China's credibility and stature in legal affairs.

Syrian Foreign Minister Views Christopher's Trip

OW1012010094 Beijing XINHUA in English 2039
GMT 9 Dec 94

[FBIS Transcribed Text] Beirut, December 9 (XINHUA)—Syrian Foreign Minister Faruq al-Shar' today denied any progress has been made during the latest trip of U.S. Secretary of State Warren Christopher to the Middle East.

But he confirmed at the same time that Syria has agreed on a U.S. proposal to hold contacts with Israel in Washington in order to exchange views on the resumption of the deadlocked peace talks between Syria and Israel.

The Syrian foreign minister delivered to Lebanese President Ilyas al-Hirawi a message from his Syrian counterpart Hafiz al-Asad at the Beirut presidential palace in

the presence of Lebanese House Speaker Nabih Birri, Prime Minister Rafiq al-Hariri and Foreign Minister Faris Buwayz.

Al-Shar' announced at the end of his talks with the Lebanese leaders that the message dealt with the results of Christopher's latest visit to Damascus and meeting with Syrian President Hafiz al-Asad, in the framework of his Middle East tour earlier this week.

"There are American efforts for narrowing the gaps on the Syrian track and removing the obstacles from the path of the peace process," al-Shar' said. He accused Israel of placing these obstacles.

He expressed Syria's hope that the United States, a sponsor of the Arab-Israeli peace talks, will make all possible efforts to bring the peace process out of the "dangerous deadlock."

Answering a question on progress realized by Christopher earlier this week when he visited Syria, Israel and the Palestinian autonomous area of Gaza, al-Shar' stressed, "I can not talk about the progress because there has not been such progress until now."

He said that the new thing coming out of this trip was an aspiration of the United States "to see and to participate in contacts between the Syrian and Israeli sides in Washington to exchange thoughts in order to pave the way for the resumption of the Syrian-Israeli bilateral peace negotiations."

He confirmed a press report on meetings to be held between Syrian and Israeli ambassadors and between military experts of the two countries in Washington. He expected that the United States would announce these meetings later tonight.

But he reiterated Syria's refusal to have secret contacts with Israel. "Either in the past or in the future, there could be no secret meetings between the Syrian and Israeli sides," he underlined.

"We believe that the aim of the secret meetings is an attempt of Israel to elude the peace process, the international legitimacy and the framework of the Madrid conference," the Syrian foreign minister said.

"But as I announced, Syria has agreed on a proposal put forward by the American administration to carry out in Washington an exchange of thoughts between Syria and Israel, and under the sponsorship and participation of the United States," he said.

He stressed that these contacts are aimed at "preparing for the resumption of the peace negotiations."

He restated a demand of his country for a full and unconditional withdrawal of Israel from the Golan Heights in exchange for a complete peace with Syria. "Syria is still upholding its position," he said.

The Syrian foreign minister arrived in Beirut later this afternoon and he is the highest Syrian official to visit Beirut since Christopher left the region Thursday.

Pakistan, Kyrgyzstan To Open Road Links Through China

OW1012170994 Beijing XINHUA in English 1639 GMT 10 Dec 94

[FBIS Transcribed Text] Islamabad, December 10 (XINHUA)—Visiting Kyrgyz President Askar Akayev and Pakistani Prime Minister Benazir Bhutto today agreed to open road links through China for trade.

The decision was made at formal talks between the two sides at the Pakistani prime minister's house.

Both Pakistan and Kyrgyzstan share border line with China, and Pakistan has been willing to find a trade route to Central Asian states but frustrated by the tense situation in Afghanistan and Tajikistan.

The two sides also agreed to establish air links between the two countries and set up embassies in each other's capital.

During the talks, major international and regional issues including Kashmir dispute, Tajikistan, Afghanistan and the situation in Bosnia came up for discussion.

Bilateral cooperation in a number of areas including promotion of trade and tourism were also discussed.

United States & Canada

NPC Chairman Qiao Shi Meets U.S. Senators

OW1012135894 Beijing XINHUA in English 1339 GMT 10 Dec 94

[FBIS Transcribed Text] Beijing, December 10 (XINHUA)—Qiao Shi, chairman of the Standing Committee of China's National People's Congress (NPC), met here this afternoon with ~~Paul Simon~~ and Frank Murkowski, senators of the United States.

During the meeting, Qiao answered questions raised by the U.S. guests.

On Sino-U.S. relations, Qiao said he hopes that the two sides should promote the bilateral relations in accordance with the three Sino-U.S. joint communiques, and understanding and principles reached between Chinese President Jiang Zemin and U.S. President Clinton in the meetings in Seattle and Jakarta.

Touching upon the resumption of China's contracting party status in the General Agreement on Tariffs and Trade (GATT), Qiao said that it is better to solve the issue within this year.

He continued that China is a large trader in the world and the GATT issue, if not settled properly, will harm the world trade.

Qiao also briefed the guests on China's principled stand on the Taiwan issue, hoping that the U.S. Government can handle the issue properly according to principles enshrined in the three Sino-U.S. joint communiques.

GATT Reentry Linked To U.S. 'Political Willingness'

OW1112112694 Beijing China Radio International in Mandarin to Asia 0900 GMT 10 Dec 94

[Commentary by station commentator Wang Mintao; from the "Report on Current Events" program]

[FBIS Translated Text] Listeners and friends, this is the station's commentator (Wang Mingtao). In today's international commentary program, I would like to talk about issues on China's GATT reentry. Recently, Long Yongtu, Chinese chief negotiator for reentering GATT, said that the deadline for China's GATT reentry is set at the end of the year.

Now that the new year is approaching, whether China can reenter GATT at the end of the year or not is an issue that everybody is concerned about. China submitted its application for GATT reentry in July, 1986. During the past eight years, the GATT China Work Group held 19 talks and China answered more than 4,500 questions from the United States and other countries. The time and effort put in by China in this field is rarely seen in GATT history. The only reason why China has put so much time and effort into GATT reentry is that China wants to restore its position as a GATT signatory country by the end of 1994. In this way, China will automatically become one of the founding members of the World Trade Organization [WTO], which will be inaugurated on 1 January.

If China fails to reenter GATT, then China's efforts over the past eight years will be meaningless. At present, the major obstacle preventing China from reentering GATT comes from the United States. China and the United States hold quite different views on market access, intellectual property rights, and treatment of the people [guo min dai yu 0948 3046 1769 6657]. To seek commercial profits as much as possible in China, the United States creates numerous obstacles for China. It is the U.S. sole goal to ensure American products and enterprises to easily enter China, the largest and most potential market in the world. Moreover, although the United States reiterates again and again that China should be a WTO founding member, the United States' stand on China's reentry into GATT is only based on its commercial interests. It is undeniable that the U.S. Congress and some other government officials always consider China's GATT reentry as an effective weapon for the United States to use to control China. Once China reenters GATT, the United States will lose that powerful weapon for dealing with China. To handle this situation, China's stand on GATT reentry is firm yet flexible.

Wu Yi, foreign trade and economic cooperation minister, pointed out in a recent speech: China will do its

best to carry out its commitments. As for the things that we are unable to do for the time being, we can promise to do them step by step in accordance with a time table. Yet China will never make deals against its principles. For example, China's status as a developing country cannot be denied. Judging from the current situation, whether China and the United States reach an agreement on China's GATT reentry before this year ends will totally depend on the U.S. political willingness. It is hard to predict what the outcome will be. Nevertheless, we can be sure about one thing at least, that is, if China is excluded from the WTO, it will not only be harmful to China but also harmful to the global multilateral trade system that will soon be established.

Officials Note Trade With U.S. Grows 'Despite Conflict'

HK1112084594 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 11-17 Dec 94 p 1

[By Xiao Wang: "Cross-Pacific Economic Ties Growing Despite Conflict"]

[FBIS Transcribed Text] In spite of virtually non-stop wrangling over a variety of issues, trade between the United States and China has continued to grow at a fast clip.

Chinese statistics show bilateral trade volume in the first 10 months of this year has already climbed to \$27 billion, less than \$600 million short of that for all of 1993.

An official with the Ministry of Foreign Trade and Economic Cooperation (Moftec) told Business Weekly that Chinese imports from the US in particular demonstrated dynamic growth—and that trend is set to continue next year.

Chinese customs statistics put the Chinese surplus against the US at \$6.6 billion. Officials believe the year-end surplus will not exceed the 1993 level of about \$6 billion.

American statistics, however, tell another story because they include Chinese exports to the US via Hong Kong.

Moftec Minister Wu Yi described the characteristics of Sino-US trade with the phrase, "progress against conflict."

International experts have predicted that the two countries will embrace a new stage of two-way trade growth in the next five years.

One apparent sign of this is the US' decision to select environmental protection, energy development, transport, financial service and medical care as its major export generators for the years to come.

That strategy meshes well with present demand in China, which plans to buy \$1,000 billion in products and technologies, most in the above-mentioned sectors, in the run-up to 2000.

International financiers have forecast that the US will export \$525 billion worth of capital by 1996, and China alone will absorb \$30 billion.

By 2000, the US is likely to export \$900 billion worth of capital, \$110-\$140 billion of which will end up in China.

According to a recent survey by a Hong Kong firm, 98 per cent of American firms regard China as the best investment target in the next five years.

The US recently revised its export goal for the year 2000 from \$1,000 billion to \$1,200 billion. It is believed that the top-ten emerging markets in the world—such as China and Brazil—will absorb more than 40 per cent of the world's total imports in the next 20 years.

The US's capital market now has \$1,550 billion. According to reports from the World Bank, the country exported only \$39 billion to emerging markets in 1992. But in 1993, exported capital increased to \$229 billion, including \$1 billion in Chinese bonds.

Despite the complementary nature of the two countries' economies, future trade growth will largely depend on the outcome of the current talks over China's access to the General Agreement on Tariffs and Trade.

The US reluctance to allow China access to the body as a developing country is a main problem between the two countries.

Pentagon To Cut Military Modernization Programs

OW1012052794 Beijing XINHUA in English 0459 GMT 10 Dec 94

[FBIS Transcribed Text] Washington, December 9 (XINHUA)—The Pentagon is planning to cut its weapon programs to help close a huge budget gap and to fund force readiness.

The cuts, announced by Defense Secretary William Perry Friday [9 December], total an estimated 7.7 billion U.S. dollars over the next six years.

Perry said at a Pentagon news conference that these cuts "are prudent, and they will not interfere with our efforts to develop the new wave of weaponry needed for the 21st century."

A week ago, President Bill Clinton announced that he would ask the Congress to boost the country's military spending by 25 billion dollars for the next six years.

It is easy for anyone to see that the Pentagon's budget gap remains a very huge one. "We still have to find some savings," Perry said.

The Pentagon's most expensive weapons program, the F-22 fighter jet built by Lockheed and Boeing, survived the cutbacks, but overall spending for the program,

which originally called for purchase of 442 planes at a cost of about 71.6 billion dollars, is required to reduce by 200 million dollars.

The high-tech Commanche helicopter program will be "restructured." under the new plan, only two prototypes will be built instead of over 1,200 Commanches at a cost of 2.1 billion dollars over the next decade. Commanche was considered to be the Army's next generation of attack helicopter.

Some other weapon programs will be postponed or scaled down. The development of a controversial "stealth" cruise missile will be canceled.

Corrected Version of Qian-Wirth Meeting

OW 0912160894 Beijing XINHUA Domestic Service in Chinese 1401 GMT 30 Nov 94

[The following is a corrected version of an item headlined "More on Meeting" published in the 1 December China DAILY REPORT on page six]

[FBIS Translated Text] Beijing, 30 Nov (XINHUA)—Qian Qichen, vice premier of the State Council and foreign minister, met Timothy Wirth, U.S. undersecretary of state for global affairs, at the Diaoyutai State Guesthouse this afternoon.

During the meeting, Qian Qichen said: Environmental protection, social development, population, women, and drug control have become problems of common concern to the international community. Increased cooperation in environmental protection between China and the United States, both of which are leading environmental powers, is not only consistent with the interests of the two peoples but is also beneficial to the international community at large.

He said: China is now going all out to prepare for the Fourth World Conference on Women, the number of participants at which will be the largest ever compared with past conferences. China is convinced, and capable of making the conference a success through coordination with the United Nations.

On cracking down on drug trafficking, Qian Qichen noted: Recent strong measures taken by China to combat drug trafficking have yielded very good results. The international community's joint efforts and cooperation, however, are needed for the ultimate solution of this problem.

Wirth agreed with Qian Qichen's remarks. He expressed the hope that China and the United States would increase dialogue and expand cooperation in environmental protection, drug control, women, and other global affairs.

In the afternoon, Vice Foreign Minister Liu Huaqiu held talks with Wirth on Sino-U.S. relations and global issues of common interest, such as environmental protection, the world conference on women, and population. Both

sides deemed the talks positive [ji ji di 4480 2817 4104], constructive [jian she xing di 1696 6080 1840 4104], and beneficial [you yi di 2589 4135 4104].

Wirth arrived in Beijing this afternoon for a visit at the Chinese Foreign Ministry's invitation.

Central Eurasia

Reportage on Developments in Chechnya

Yeltsin Urges Order

OW 012040994 Beijing XINHUA in English 0149 GMT 10 Dec 94

[FBIS Transcribed Text] Moscow, December 9 (XINHUA)—Russian President Boris Yeltsin today ordered the government to "resort to all means available" to "restore order" in the breakaway republic of Chechnya and its adjacent regions.

In a presidential decree, Yeltsin said the Russian Security Council has confirmed that the illegal armed units in Chechnya and other northern Caucasus regions have caused bloodshed, loss of lives and violation of civil rights.

The president instructed the government to use every possible means to ensure state security, lawfulness, human rights and freedom, public order, anti-crime fight and disarmament of all illegal units in the troubled regions.

However, a group of deputies from the lower house of parliament sent a telegram to Yeltsin earlier today, urging him to make clear his own stand on the Chechnya crisis in a television program.

"We believe that if troops are sent into Chechnya, you will personally bear the responsibility for possible bloodshed. The democratic system existing in Russia will also turn into a police system. You will lose the support of millions of Russian citizens who are in favor of Russia's peaceful democratic development," the telegram said.

These deputies represent the democratic party in parliament.

Meanwhile, Russian Defense Minister Pavel Grachev and Interior Minister Viktor Yerin have arrived in the north Ossetian city of Mozdok at the Chechen border this evening. They are expected to meet the commanders of the Russian military units stationed there.

On Thursday [8 December], Russian counterintelligence chief Sergey Stepashin and Deputy Prime Minister Nikolay Yegorov, who was authorized by the president to coordinate efforts in restoring order in Chechnya, also arrived in Mozdok.

Speaking to reporters, Stepashin denied that Russia wants to fight a war with Chechnya. Instead, he said,

Russia is trying to disarm illegal bandit groups in Chechnya and restore the constitutional order there.

Russia Takes Military Action

OW1012105994 Beijing XINHUA in English 1043
GMT 10 Dec 94

["Urgent: Russia Takes Military Action in Chechnya (Corrected)—XINHUA Headline]

[FBIS Transcribed Text] Moscow, December 10 (XINHUA)—Russia has taken "tough military action" in the breakaway republic of Chechnya this morning, a reliable Russian source told XINHUA.

The source said that the action is aimed at removing all the illegal armed units in the republic. A press conference will be held later on the action, the source said.

Russian President Boris Yeltsin Friday [9 December] ordered the government to "resort to all means available" to "restore order" in Chechnya and its adjacent regions.

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Russia is trying to disarm illegal bandit groups in Chechnya and restore the constitutional order there.

Troops Ordered To Block Borders

OW1012134894 Beijing XINHUA in English 1326
GMT 10 Dec 94

[FBIS Transcribed Text] Moscow, December 10 (XINHUA)—The Russian Government adopted a resolution today, ordering Russian troops to block the land borders and air space of Chechnya, the government's provisional news center announced.

Meanwhile, according to reports that have yet to be confirmed, Russian troops started offensive operations against the breakaway republic.

"The resolution assigns the interior ministry to block the administrative borders of Chechnya and the Defense Ministry to block the air space of the republic," the news center said.

The resolution was adopted to implement the presidential decree "on measures for bringing to an end the activities of illegal armed groups on the territory of the chechen republic and in the zone of the Ossetian-Ingush conflict."

In another development, in the North Ossetian city of Mozdok close to the Chechen border, Russian Deputy Premier Nikolay Yegoriv held a closed-door meeting with Defense Minister Pavel Grachev, Interior Minister Viktor Yerin and those in command of the Russian forces massed in three areas along the Chechen border.

Chechnya unilaterally declared independence from Russia in 1991.

Russia Prepares To Host Talks

OW1012165794 Beijing XINHUA in English 1519
GMT 10 Dec 94

[FBIS Transcribed Text] Moscow, December 10 (XINHUA)—Preparations are under way in Russia's North Ossetian capital of Vladikavkaz for talks on settling the Chechen crisis, the ITAR-TASS NEWS AGENCY reported today.

The news agency said Russian Government officials and representatives of the Chechen authorities and the opposition are expected to take part in the talks, scheduled to be held next Monday [12 December].

North Ossetian President Akhsarbek Galazov is expected to open the talks, ITAR-TASS said.

In preparation for the talks, security has been tightened along major highways, at railway stations, and at the Vladikavkaz Airport.

Chechnya, a mostly Muslim region of 1.2 million people, unilaterally declared independence from Russia in 1991.

On Friday, President Boris Yeltsin authorized the use of force against Chechnya, ordering his government to use "all means at the state's disposal" to restore order and disarm "illegal armed groups."

Russian troops and tanks have massed along the Chechen border since Friday and Russian warplanes reportedly swooped over the breakaway Republic earlier today.

Counterintelligence Sends Soldiers

OW1012043994 Beijing XINHUA in English 0226
GMT 10 Dec 94

[FBIS Transcribed Text] Moscow, December 9 (XINHUA)—Seven Russian servicemen released by the Chechen authorities said today that 82 Russian soldiers were sent by Russian counterintelligence service to fight on the opposition side in Chechnya last month.

They said the counterintelligence service signed contracts with them before they went to Chechnya. They made the statement after returning to Moscow this afternoon after being released by the Chechen authorities.

The ITAR-TASS NEWS AGENCY reported that all the seven servicemen had earlier told reporters in Mozdok near the Chechen border that they had all been serving in the units in the Moscow region before going to Chechnya.

They said that as many as 26 Russian tank crew were involved in the November 26 attack against Grozny.

They said that 19 of the 82 soldiers were captured by the Chechen Government forces, and 18 of them have been returned to Russia, while only private Valery Prishakov who was seriously wounded is still in a hospital in Grozny.

The released soldiers also told reporters that they had signed contracts with a representative of the federal counterintelligence service before they went and fought on the Chechen opposition side.

They said that each of them was promised to pay three million rubles (about 950 U.S. dollars) for preparing equipment, three million for bringing it into Grozny and another three million after returning to Moscow upon the conclusion of the operation.

However, they said that none of them has been paid this money.

Russia Applies To Join WTO

OW1012041094 Beijing XINHUA in English 0246
GMT 10 Dec 94

[FBIS Transcribed Text] Geneva, December 9 (XINHUA)—Russia today applied formally to join the World Trade Organization (WTO), a more powerful multilateral trade body to replace the General Agreement on Tariffs and Trade (GATT) on January 1.

As the first step, Russia's deputy prime minister and minister of external economic relations, Oleg D. Davydov, submitted a memorandum on Russia's trade policy to GATT Director-General Peter Sutherland.

A GATT spokesman said that the accession negotiations for Russia would begin early next year.

Russia has already applied for a GATT membership and a working party was established in June, 1993. Because of legal reasons, Russia has to apply anew for the WTO membership.

According to the latest GATT account, some 27 countries, including China, have applied for membership of WTO. China, which is now holding critical negotiations in Geneva, wishes to conclude substantive talks by the year-end and become a founding member of WTO next year.

Russia No Longer Seeks Amendments to CFE Treaty

OW1012031394 Beijing XINHUA in English 2049
GMT 9 Dec 94

[FBIS Transcribed Text] Ankara, December 9 (XINHUA)—Russia has said it will no longer seek amendments to the Conventional Forces in Europe (CFE) treaty for reinforcing its forces in Caucasus.

Turkish diplomatic sources said today Russia expressed the new position during the talks between visiting Russian Deputy Foreign Minister Georgy Mamedov and Turkish Foreign Ministry officials Thursday [8 December].

The Russian official said Moscow would try to make use of the treaty's existing provisions for deployments.

Mamedov said Moscow, which until recently was forcing changes in the CFE treaty, will abide by the CFE treaty and will not demand any amendment to the treaty.

Turkish officials said the government understood Russian security concerns in trans-Caucasia areas and it would display flexibility regarding such deployments.

The diplomatic sources here said the talks between the two sides are "very productive."

The Turkish-Russian dispute erupted last year when Russian President Boris Yeltsin, in letters he sent to leaders of the member states of the Conference on Security and Cooperation in Europe, demanded amendments be made to some provisions of the treaty.

Yeltsin said the amendments should provide Moscow with the opportunity to deploy more forces in Caucasus than envisaged by the current treaty.

Turkey strongly opposed the Russian demand and said there was no substantial reason for Russia to increase its forces in the region, as the three former Soviet republics in the region could not pose a threat to Moscow.

Turkey's NATO partners supported Ankara's stand that the CFE treaty could not be changed before the next conference convenes in 1996.

At the Ankara talks, Turkey and Russia also exchanged views on developments in the Balkans, NATO's possible expansion and global security issues, the sources said.

Mamedov arrived in Ankara Wednesday and will leave for Greece Saturday.

Heilongjiang Governor Meets With Ukraine Visitors

SK1012050794 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 9 Dec 94

[FBIS Translated Text] On the afternoon of 9 December at the office of the provincial government, Tian Fengshan, deputy secretary of the provincial party committee and acting governor of the provincial government, met with (Kuben), head of Luhansk Oblast of Ukraine Republic and first secretary of the party committee of the oblast, and his party.

Tian Fengshan welcomed the guests.

He said: Heilongjiang and Ukraine have a good foundation for economic and trade cooperation. According to incomplete statistics, from 1989, the import and export value of the economic and trade contracts signed between our province and Ukraine was nearly 1 billion Swiss francs, 13 economic and technological cooperation agreements were signed, and 502 laborers were exchanged. Both sides have some common points in economic development. Thus, the prospects and potentials for cooperation are very great.

Tian Fengshan agreed to the signing of the agreement on conducting friendly contacts and economic and trade cooperation.

He also hoped that on the basis of this, both sides should make positive efforts to establish friendships between Heilongjiang Province and Luhansk Oblast, to further enhance mutual understanding, and to expand the aspects of cooperation and contacts.

Heilongjiang Secretary Meets With Ukraine Visitors

SK1012051494 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 9 Dec 94

[FBIS Translated Text] On the morning of 9 December, Yue Qifeng, secretary of the provincial party committee, met with (Kuben), head of Luhansk Oblast of Ukraine Republic and first secretary of the party committee of the oblast, and his party.

During the meeting, Yue Qifeng said: China has traditional friendship with the former Soviet Union and the countries under the CIS, including Ukraine. Before the sixties, China constantly emulated the economic patterns of the former Soviet Union. The three provinces in

northeast China, particularly Heilongjiang, were more deeply affected by the planned economy of the former Soviet Union than any other areas in China. To accelerate the pace of development, Heilongjiang should first free itself from the restrictions of the planned economy and readjust the industrial structure. On the one hand, through opening up, we should push large and medium-sized enterprises to markets; introduce the capital, technologies, and skilled persons of foreign countries and the developed areas in south China; and accelerate the pace of transforming old enterprises; on the other hand, we should expand the dynamics of developing various sectors of the economy, such as town and township enterprises and private and individual enterprises, so as to enliven the economic development of Heilongjiang.

Yue Qifeng said: Heilongjiang's population, cultural, and scientific and technological quality is high. So long as we persist in new economic development ideas will we be able to accelerate the pace of economic development.

Yue Qifeng maintained: The practice of reform made over the past 10 years or so proved that Comrade Deng Xiaoping's theory on building a socialism with Chinese characteristics is extremely accurate. The areas where this policy is well implemented have made great achievements. Due to the deep influence by the planned economy, Heilongjiang failed to well implement this policy. Now, we are making positive efforts to change this situation.

Yue Qifeng believed: With the existing foundation as well as the new ideas for emancipating the mind and changing ideas as set forth by the provincial party committee recently and by realistically doing affairs according to the theory on building socialism with Chinese characteristics, Heilongjiang will be able to greatly speed up its pace of progress.

(Kuben), head of Luhansk Oblast, maintained: Heilongjiang and Ukraine share some similar aspects, such as natural conditions and economic development, and meet with some similar problems cropping up in the course of development. I hope that along with the increasingly more friendly contacts between both sides and the expansion of cooperation spheres, both sides will learn from each other's successful experiences.

Wang Xianmin, secretary general of the provincial party committee, was present at the meeting.

Northeast Asia

Foreign Ministry Asks Japan To Ease 'Debt Burden'

HK1112081094 Hong Kong SOUTH CHINA SUNDAY MORNING POST (SUNDAY MONEY) in English
11 Dec 94 p 1

[By Peter Seidlitz in Beijing]

[FBIS Transcribed Text] China is facing massive additional payments amounting to billions of dollars on

yen-denominated loans as a result of the sharp appreciation of the Japanese currency. Bankers estimate the cost of repaying soft loans made by Japan to Beijing since the early 1980s has risen by more than US\$5 billion (HK\$39 billion), at current exchange rates, in the wake of the rising yen.

Loans to China under Japan's Official Development Assistance (ODA) package total more than 1.3 thousand billion yen (about HK\$92.3 billion) over the past 14 years. The first tranche was completed at 230 yen to the US dollar with a 10-year grace period before repayments began. But the dollar-yen spot rate on the foreign exchange markets was about 100 in trading late last week.

In a rare move on Friday [9 December] the Chinese Foreign Ministry issued a statement to Sunday Money calling on the Japanese Government to take "effective measures" to ease the debt burden. "The Chinese side has on many occasions asked the Japanese Government to take effective measures to ease the debt burden incurred on the Chinese loan receiving institutions as a result of the drastic appreciation of the Japanese yen," the statement said. But it added: "China will repay the loans strictly in accordance with the provision of the relative agreements signed between the two governments." The yen loans had been helpful to the improvement of China's infrastructure construction and the development of its national economy, the statement said.

China's growing debt problem has a loose parallel with the so-called Third World debt crisis of the 1980s. Many European and US commercial banks loaned heavily to corporations and governments of predominantly southern and Central America, but a sharp turnaround in US interest rates sent the currency rocketing. The rising dollar combined with falling commodity prices sparked a rash of defaults on repayments, forcing banks to write off billions worth of loans.

Although there was no suggestion that Japanese banks would face a similar situation over loans to China, the issue has highlighted the currency problems for the Chinese. The statement said that authorities had not used any hedging instruments to offset changes in exchange rates. When asked whether China hedged or used swap markets to cut its exposure to currency fluctuations, the Ministry replied: "We did not explore the above way to cover currency losses."

Japan's first ODA package provided loans totalling 300 billion yen (about HK\$21 billion) up to 1983. In the following five years another 540 billion yen was added. From the 810 billion yen agreed for the third package, covering the years up to 1995, 528 billion yen has been distributed so far. China has absorbed nearly 58 per cent of Japan's global bilateral aid under the ODA programme and is in negotiations for further massive loans.

According to Japanese sources, China wants another 1,200 billion yen in two tranches covering the years 1996

to 2000. The reason would appear to be to provide extra funds to service the yen-denominated debts.

Japanese Loans Cause 'Staggering' Currency Losses
HK1112083394 Hong Kong SOUTH CHINA SUNDAY MORNING POST (SUNDAY MONEY) in English
11 Dec 94 p 5

[Article from the "Insight" page by Peter Seidlitz: "At the Mercy of a Rising Yen"]

[FBIS Transcribed Text] Recent media reports have detailed punishing large losses incurred by Chinese state trading corporations. But those losses are nothing compared to the currency mismanagement of the People's Bank of China and the Ministry of Finance.

This can be documented in the case of Japan's Official Development Assistance (ODA) to China. In celebrated agreements Japan so far has given three huge loan packages. These ODA loans have now become a major headache for China. Bankers confirm currency losses in the staggering amount of US\$5.1 billion (HK\$39.42 billion) on Japanese bilateral aid loans alone.

Japan's first ODA package provided loans totalling 300 billion yen (about HK\$21 billion) up to 1983. In the following five years another 540 billion yen was added. From the 810 billion yen agreed for the third package, covering the years up to 1995, 528 billion yen has been distributed so far. China is absorbing nearly 58 per cent of Japan's global bilateral aid under the ODA programme, confirming that neither China nor Japan has been sensible, both having put all their eggs in one basket.

Repayment of the loans, which had a 10-year grace period, has started, but their price has more than doubled. As there was an average yen/US dollar exchange rate of 230 yen during the first loan period, the People's Bank and the Ministry of Finance will have to book foreign currency losses of US\$1.7 billion.

The second loan (which ran from 1984 to 1989 and for which repayment will start in 1996) was negotiated at an average yen/US dollar exchange rate of 180, and China's losses will be about US\$1 billion. Meanwhile, for the third loan China can count on currency losses up to US\$2.4 billion.

No wonder the Chinese are grinding their teeth.

The next loan agreement is currently under negotiation. But the Japanese Government—which is suffering increasing domestic criticism for its China loan policy—has been asked for new loans of astonishing dimensions. According to Japanese sources, China wants another 1,200 billion yen in two tranches covering the years 1996 to 2000. The reason is quite obvious: China has a limited yen income as most deals are done in US dollars but new yen credits are still needed to cover the old yen loans. In other countries this is called debt rescheduling.

The next round of loan negotiating between Japan and China will take place this month in Tokyo, but it is unlikely that the Japanese will take China's difficult position into account. "Yen loans have to be paid back in yen," a Japanese diplomat in Beijing said. "No way we can help China."

From an office in Beijing's China World Tower, Japanese officials monitor the management and the repayment of the loans. So far, the twice-yearly repayments of loans and interest have been smooth, according to Naohiro Kitano, chief representative of the Overseas Economic Cooperation Fund (OECF). "China knows that its country rating and credibility is at stake and our loans have priority," he explained. The peak repayment for yen loans, however, is still coming.

The uneasiness the Japanese feel about these loans is manifold. China is not the only country suffering from the yen's appreciation. Thailand, Malaysia and the Philippines are also major recipients of official Japanese ODA loans. All of them are crying to Tokyo now. The Japanese Ministry of Finance and the commercial banks fear concessions given to China or Malaysia would bring a repetition of what European and American Banks experienced in the former Soviet Union or South America. Loans just had to be written off.

The Japanese are in a particular fix in China. Japanese industry has now finally decided to rush into China and relocate production there. Trade volume, according to latest statistics from the Japanese Embassy in Beijing, increased 25.4 per cent in 1991, 26.7 percent in 1992, 30.9 percent in 1993 and has already risen 21.7 per cent in the first nine months of 1994. About 5,000 Japanese are now living in China (2,500 in Beijing), the Japanese Chamber of Commerce in Beijing has 360 member companies, and the economic section of the Japanese Embassy says there are now more than 2,500 joint ventures and wholly owned Japanese factories in operation in China.

The Japanese Government is only too aware of the political implications of the extent of its China involvement but has, to the dismay of some seasoned diplomats, developed no clear China strategy. The loan agreements, exploding trade and huge investments tie Japan to China and give Japan less room to manoeuvre. New yen loans to China will have to follow the bad loans on the books of Japanese commercial banks.

Information from banking circles in Beijing shows that many of China's international trust and investment corporations (ITICs), which are practically China's investment banks, are already experiencing difficulty paying back their yen loans. Hubei ITIC is a case in point. It took a US\$40 million long-term loan provided by a consortium of eight Japanese banks but stopped serving this loan in 1992. Sanwa Bank is now in discussion with the Governor of Hubei province.

Many of these loans to ITICs in China's provinces were arranged by American banks, who, after cashing in the

lead management fee, rolled them over to Japanese banks. Japanese banks, who already suffer from massive bad debts on their books from Japanese customers, have been drawn into China's swamps. A Swiss banker based in Hong Kong said nearly all ITICs suffered under the burden of yen loans and were now making belated efforts to get help with swap and hedging operations.

To be fair, the Ministry of Finance in Beijing has realised its mistakes. China's loan portfolio will be diversified with a currency basket, Liu Zhongli, the Minister of Finance, said in a recent interview.

After visiting the offices of China's central bank and the Foreign Exchange Control Departments in Beijing, I found it difficult to believe that a co-ordinated and solid foreign currency management could be achieved out of these offices, which were disorganised and disorderly. "You must understand," the Minister of Finance pleaded, "that we have not enough experience and make mistakes." In the meantime the Chinese state, through lack of knowledge in playing with sophisticated new financial instruments, such as derivatives and hedging operations, is losing a lot of hard-earned money.

Official Sees Sino-Japanese Trade 'Blossoming'

HK1212032094 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 11-17 Dec 94 p 1

[By Gao Bianhua: "Sino-Japan Trade Blossoming"]

[FBIS Transcribed Text] Sino-Japanese trade volume is heading for a rise of more than 10 per cent this year, a senior trade official said.

"There's no doubt that trade volume between China and Japan will top \$43 billion this year," Guo Li of the Ministry of Foreign Trade and Economic Cooperation told Business Weekly.

Guo is deputy director-general of the Asian Affairs Department at the ministry.

Last year's trade figure was \$39 billion. Sino-Japanese trade amounts to one-fifth of China's total foreign trade and Japan remains China's largest trading partner, Guo said.

She predicted that trade will hit \$46 or \$47 billion in 1995.

From January to September this year, China's trade with Japan hit \$31.37 billion, up 25.4 per cent from the same period of 1993, according to the customs service.

Exports to Japan totalled \$13.515 billion, while imports totalled \$17.851 billion, leaving China with a \$4.34 billion deficit.

Japanese imports of finished products such as machinery, electronics, textiles and rubber products rose steadily this year.

"Finished products have made up around 70 per cent of the country's total exports to Japan," Guo said.

Japanese investment in China has also risen sharply.

During the first half of this year,

Japan invested in 1,428 projects in China, pledging funds of \$1.86 billion, up 56.3 per cent from the corresponding period of 1993. A total of \$897 million in investment was received, a 77.5 per cent increase.

Japanese firms, including large conglomerates, have shown great interest in investing in China since the beginning of this year, Guo said.

She attributed this mainly to the huge potential of the Chinese market.

"China's dynamic economic growth and a large domestic consumption market makes the country a hot spot for foreign investors."

But she also noted that bilateral trade in technology has dropped sharply this year, without providing detailed figures.

"The main reason is that the Japanese side is conservative about technology transfer to China. We expect Japan to increase the technology component in the total trade. Otherwise it will let good opportunities slip."

Minor rows have appeared along with the rapid increase in Sino-Japanese trade, particularly on the issue of textiles, Guo said.

"Unilateral Japanese imposition of restrictions on China's textile imports will have an adverse effect on bilateral trade relations."

Japan's current industrial restructuring has led to increased demand for textile products from China and other countries, she added. "There is no dumping of China's textiles."

Party Branches Opened at Sino-ROK Ventures

SK1212020794 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 11 Dec 94

[FBIS Translated Text] The ROK Industrial Park in Weihai has paid special attention to party building around economic construction. The park has established party organizations among most joint ventures with a view to affecting staff and workers with the cohesive spirit and leading role of party members and then promoting the all-round development of joint ventures. Thus far, the number of Sino-foreign joint ventures has developed to 16 in the ROK Industrial Park in Weihai. Since early this year, party branches have been set up in all small and medium-sized joint ventures in the park and party committees have also been set up in various

large joint ventures. These party branches and committees have been responsible for managing and educating party members and for doing ideological work among staff and workers.

For a period of time, due to the overly great amount of work, the Jinan Leather Product Company Ltd., a Sino-ROK joint venture, made its staff and workers work overtime without having days off, and thus some staff and workers expressed their complaints with their work. Just when the manager of the foreign side felt quite helpless, the company's party branch held a meeting of party members in a timely manner, calling on party members to understand the difficulties of the foreign side, to straighten out their attitude, to affect staff and workers with their practical hard work, and to do ideological work among staff and workers. In addition, the party branch organized a series of after-hours cultural and recreational activities to liven up the atmosphere. Finally, the enthusiasm of all staff and workers has been aroused and the economic efficiency of the company has embarked on a new stage.

Thanks to the strengthening of party building, which has ensured the normal development of production and management of joint ventures, from January to November, the joint ventures in the ROK Industrial park generated 200 million yuan in the value of delivered export goods and 10.2 million yuan in profits, respectively, registering an increase of 110 and 268 percent over the same period last year.

Southeast Asia & Pacific

Indonesian Minister Views Business Opportunities

BK0912102494 Jakarta SUARA KARYA in Indonesian 3 Dec 94 p 1

[FBIS Translated Excerpt] Beijing (SUARA KARYA)—The PRC is in a transition, adjusting its economic and trade policies in line with the GATT/WTO [World Trade Organization] rules. Although this is designed to pave the way for the PRC's reentry into the GATT, it will also result in the Chinese market becoming more open to foreign commodities and products, including Indonesian goods. It is very likely that China's trade partners are making preparations to "flood" the market of the country, which has a population of 1.2 billion.

"Indonesian businessmen have no alternative but to launch an offensive to explore the Chinese market; for example, by stepping up relations with their Chinese trade partners and visiting China. Without making extra efforts, I am afraid that our businessmen will lose out to the competition. The government, of course, will continue to support our businessmen, particularly in overcoming the current trade obstacles, by negotiating with the Chinese Government or raising the matter in the GATT, which is discussing the possibility of readmitting China." Trade Minister Satrio Budiharjo (Billy) Yudono

said this to Indonesian reporters in Beijing, according to SUARA KARYA reporter Syafrizal Dahlan from the Chinese capital last night.

Minister Billy Yudono arrived in Beijing last Wednesday at the head of a trade mission coordinated with the China Committee of the Indonesian Chamber of Commerce and Industry. He attended a meeting of the Indonesia-China Joint Committee on Economic and Technical Cooperation. He also held talks with the PRC minister for foreign economic relations and trade, the minister for coal affairs, and the vice prime minister. [passage omitted]

Construction Starts on Malaysian-Funded Bridge

OW1112133594 Beijing XINHUA in English 1316
GMT 11 Dec 94

[FBIS Transcribed Text] Chongqing, December 11 (XINHUA)—A major bridge across the Chang Jiang river, China's longest, started construction Sunday [11 December] in Jiangjin city, southwest China's Sichuan Province.

The bridge, is jointly funded by Jiangjin city, east of Sichuan and a major Malaysian group with a total investment of 300 million yuan, 80 percent of which are from the Malaysian side.

The bridge, which will extend 1,388 meters long and 21.5 meters wide, is expected to be built in three years.

In today's ground-breaking ceremony, Jiangjin city also signed a contract with the Malaysian group on the joint development of the Jiangjin Economic and Technological Zone with the investment of one billion yuan.

NPC Vice Chairman Tian Jiyun Visits Thailand

Tian Meets Thai Prime Minister

OW0812134394 Beijing XINHUA Domestic Service in Chinese 1434 GMT 6 Dec 94

[By Wang Weijun (3769 5898 6511)]

[FBIS Translated Text] Bangkok, 6 Dec (XINHUA)—Thai Prime Minister Chuan Likphai this afternoon met with Tian Jiyun, vice chairman of the Standing Committee of the Chinese National People's Congress [NPC], and his party which is paying a friendly visit here.

The Thai prime minister said he was happy to see that the agreements concluded with the Chinese Government during his visit to China last year are being implemented. He said the friendly relations between Thailand and China and economic and trade cooperation between the two countries have developed rapidly in recent years. In particular, Thai entrepreneurs have recently invested in setting up an industrial town in Shanghai's Jiading District. He expressed the hope that the Chinese side would support investments by Thai entrepreneurs.

Tian Jiyun spoke highly of the major development in the friendly relations between China and Thailand. He pointed out that bilateral economic and trade cooperation has developed rapidly, growing at a rate of 30 percent this year. Based on this rate, the volume of trade between the two countries will double or even quadruple by the year 2000.

During the meeting, Chuan Likphai also expressed his heartfelt thanks to the Chinese Government for permitting China's sacred Buddhist relic—a finger of Buddha—to be enshrined and worshipped in Thailand. He said this will enhance mutual understanding between the Buddhist circles of the two countries.

Today, Tian Jiyun also met separately with Marut Bun-nak, speaker of the Thai National Assembly, and Michai Ruchuphan, speaker of the Upper House. Both sides exchanged views on further strengthening contacts between the Chinese NPC and the Thai National Assembly.

Meets Thai Crown Prince

OW0912113694 Beijing XINHUA Domestic Service in Chinese 0232 GMT 8 Dec 94

[By reporter Wang Weijun (3769 5898 6511)]

[FBIS Translated Text] Bangkok, 7 Dec (XINHUA)—At the Imperial Palace at Nontha Buri this afternoon, Thai Crown Prince Maha Wachiralongkon met with Tian Jiyun, vice chairman of the Chinese National People's Congress [NPC] Standing Committee, and key aides accompanying him on his visit here. The two sides held cordial talks in a very friendly atmosphere.

Tian Jiyun first asked the crown prince to convey PRC President Jiang Zemin's greetings to the Thai king on the latter's birthday. He said that he was fortunate to be able to attend Thailand's celebrations of the king's birthday, to meet with Thai Government and parliamentary leaders, and to come into contact with people from all circles during his trip. The visit produced a strong impression on him of the long-standing Sino-Thai friendship built on a solid foundation. He expressed the belief that joint efforts by both sides would help further develop the two countries' friendship, economic cooperation, and trade next year, which will mark the 20th anniversary of the establishment of Sino-Thai diplomatic relations.

The crown prince said: Vice Chairman Tian's current visit will surely make important contributions to further developing Thai-Chinese friendship. He said: The Chinese in Thailand staged grand festivities on the happy occasion of the king's birthday. This shows their deep feelings for the king, who expressed his gratification and gratitude.

Tian Jiyun also met Thai Foreign Minister Thaksin Chinnawat this morning.

Tian Jiyun and his entourage will return home tomorrow after wrapping up their visit to Thailand.

Tian Ends Goodwill Visit

OW1112090394 Beijing XINHUA in English 0806
GMT 11 Dec 94

[FBIS Transcribed Text] Beijing, December 11 (XINHUA)—Tian Jiyun, vice-chairman of the Standing Committee of the National People's Congress, returned to Beijing today, ending his good-will visit to Thailand.

Secretary General of the NPC Standing Committee Cao Zhi greeted him at the airport.

Vice Premier Li Lanqing Meets Guest From Thailand

OW1112090194 Beijing XINHUA in English 0759
GMT 11 Dec 94

[FBIS Transcribed Text] Beijing, December 11 (XINHUA)—Chinese Vice-Premier Li Lanqing met here today with Chan Sai-yin (Norrarat Tangpakorn), president of the Thai-Chinese Journalists' Welfare Fund of Thailand.

Li thanked Chan for his support to China's education for many years.

Li said China's education, while achieving progress, is facing with some difficulties, especially in the remote, poverty-stricken areas.

To get rid of poverty in those areas, Li said, a fundamental way is to improve the educational standard of the people there.

The vice-premier expressed appreciation to Chan and other overseas friends for their support in this respect.

Chan, a well-known industrialist of Chinese origin, have donated over 50 million yuan over the past years to his home town in Chaoxian, Guangdong Province, and other areas in education and culture projects.

Recently, he donated again to teachers in Chaoxian area and Guangdong's Zhongshan University respectively.

Chuan's Administration on Brink of Collapse in Thailand

OW0912042894 Beijing XINHUA in English 0349
GMT 9 Dec 94

["Roundup" by Yu Zuncheng]

[FBIS Transcribed Text] Bangkok, December 9 (XINHUA)—The pullout of the New Aspiration Party (nap) from the Thai coalition Thursday night [8 December] has put Prime Minister Chuan Likphai's government on the brink of collapse as chances for bringing in an acceptable opposition party into the line-up appear slim.

The NAP announced quitting the government after the NAP joined the opposition Thursday in voting against in the parliament two articles of a constitution amendment draft calling for direct election of administrative bodies at the grassroots level.

Prime Minister Chuan is expected to try to stay in office with a minority government at least for a short time to ensure the passage of some important bills, including the constitution amendment draft and the civil service pay bill.

A source close to the prime minister said Chuan would not bring in any of the opposition parties to replace the NAP in order to stay on.

The two main opposition parties, Chart Thai and Chart Pattana, said Thursday night that they would join the government led by the Democrat Party only if Chuan restructures the entire coalition and the cabinet line-up.

However, all those in the government and parliament are aware that a minority government would not last long.

If no opposition party is to be invited to join the government, or none of the opposition parties is willing to join, it is only a matter of time for Chuan to dissolve parliament, and this will come before too long.

Leaders of the four coalition partners remaining in the government—Democrat, Palang Dharma, Solidarity and Seritham, held an urgent meeting late Thursday to discuss their staying on as a minority government without the NAP.

It is generally believed that the coalition would try to get the said bills passed and then it will dissolve parliament.

CPPCC Vice Chairman Meets Vietnam's Do Muoi

OW0912132094 Beijing XINHUA Domestic Service in Chinese 1629 GMT 8 Dec 94

[By reporter Hu Suojin (5170 6956 6930)]

[FBIS Translated Text] Hanoi, 8 Dec (XINHUA)—Do Muoi, general secretary of the Vietnamese Communist Party [VCP] Central Committee, today met with visiting Qian Zhengying, vice chairman of the Chinese People's Political Consultative Conference [CPPCC] National Committee and consultant for the Chinese People's Association for Friendship With Foreign Countries.

Do Muoi said: Vietnam will never forget the support and assistance rendered by China and other socialist countries to Vietnam during the course of Vietnam's national liberation. He highly commended China, which is led by the CPC and has a population of 1.2 billion, because it has been upholding the socialist road and has attained remarkable accomplishments in reform and opening up. China has sustained rapid economic development and increased its national strength. He stressed: Because Vietnam and China are linked by common mountains

and rivers, China's strength and prosperity will be conducive to peace, stability, and socialist construction in Vietnam.

At the meeting, Do Muoi briefed his guests on Vietnam's domestic situation. He said: Vietnam has made some achievements in its renovation [ge xin 7245 2450]. Vietnamese society is stable. It has basically resolved the grain problems. The Vietnamese people have relatively considerably improved their living standards.

Qian Zhengying expressed her admiration for the Vietnamese people for their accomplishments in their renovation and opening up under VCP leadership. She said: The Chinese people are happy to note that Sino-Vietnamese friendship, previously cultivated by revolutionaries of the older generation and currently propelled by leaders of the new generation, continues to develop. The success of President Jiang Zemin's visit to Vietnam has enabled bilateral relations between the two countries to enter a new phase.

She indicated that the two countries' amity associations will make new efforts to further develop Sino-Vietnamese relations.

Also attending the meeting were Le Quang Dao, chairman of the Vietnam Fatherland Front, and Zhang Qing, Chinese ambassador to Vietnam.

SRV Consumers Urged to Use Domestic Goods

OW1212111394 Beijing XINHUA in English 1106
GMT 12 Dec 94

[FBIS Transcribed Text] Hanoi, December 12 (XINHUA)—Vietnamese Communist Party chief Do Muoi has called on Vietnamese to use domestic goods as a manifestation of their patriotic spirit.

To love the country now means to encourage everybody to buy domestic goods, Muoi was quoted as saying in the Communist Party daily NHAN DAN.

To favor domestically-produced goods is also a way to help resolve Vietnam's unemployment problem, he said.

Muoi, who made the remarks on Saturday to the National Trade Union's Central Committee, also said that more competitive home-made products may serve as a stimulant for Vietnamese to change their spending habits.

Vietnamese officials recently predicted that the country's trade deficit this year could reach somewhere between 600 million and 900 million U.S. dollars, compared with about 750 million U.S. dollars last year.

Near East & South Asia

Foreign Minister Confers With Iraqi Counterpart

JN0912130894 Baghdad INA in Arabic 1120 GMT 9
Dec 94

[FBIS Translated Text] Beijing, 9 Dec (INA)—[Iraqi] Foreign Minister Muhammad Sa'id al-Sahhaf held talks in Beijing today with Qian Qichen, Chinese vice premier and foreign minister.

During the session of talks, al-Sahhaf conveyed greetings from President Saddam Husayn to the Chinese leadership and the friendly Chinese people. The Chinese minister asked him to convey greetings from the Chinese leadership to President Saddam Husayn, wishing his excellency continued success.

Al-Sahhaf reviewed the steps Iraq has taken in response to the Security Council resolutions as well as Iraqi ideas and proposals on working to lift the unfair economic blockade imposed on Iraq. He called on the Chinese friends, in their capacity as a permanent UN Security Council member state, to support these proposals and ideas and effectively contribute to the efforts designed to implement Paragraph 22 of Security Council Resolution 687.

The Chinese foreign minister stressed his country's support for Iraq's positions and positive initiatives. He also asserted that Iraq cooperates with the UN Special Commission and the Security Council.

Qian Qichen described as positive Iraq's steps designed to achieve stability and security in the Arabian Gulf region. He said China sympathizes with, and highly appreciates, these encouraging positions which will create an appropriate atmosphere to lift the economic blockade on Iraq.

Foreign Minister al-Sahhaf arrived in Beijing yesterday on an official visit lasting several days.

King of Nepal Meets Chinese Literary, Art Group

OW1012044394 Beijing XINHUA in English 1706
GMT 9 Dec 94

[FBIS Transcribed Text] Kathmandu, December 9 (XINHUA)—Nepalese King Birendra met with a visiting Chinese delegation in the palace here this evening.

The king said that the traditional friendship between Nepal and China is a good example of countries in dealing with their relations.

Birendra expressed his appreciation for the warm and sincere entertainment extended to Nepali Crown Prince Dipendra by the Chinese Government and people during his recent China visit.

The king believed that the long-existed friendship between Nepal and China would be further strengthened in the days to come.

The six-member group of the Federation of Chinese Literary and Art Circles is here on a 13-day friendly visit to Nepal.

Pakistan's Leghari Terms Visit 'Very Useful'

OW0812171994 Beijing XINHUA in English 1648
GMT 8 Dec 94

[FBIS Transcribed Text] Islamabad, December 8 (XINHUA)—Pakistan President Farooq Leghari said this

evening that he had very useful meetings with China's top leaders during his visit to China.

On his return from the trip, the president told prime minister Benazir Bhutto at the airport, "It is a very useful trip and we made some progress on economic front."

Talking about the Sino-Pak relationship, Leghari told Chinese reporters, "The relationship is very very warm, we still like to build further on that."

When asked about the result of his trip, the president said, "We have both sides determined to increase the volume and the level of our trade, economic cooperation and joint ventures. We had a very positive result."

Prime Minister Benazir Bhutto, Chairman of the Senate Wasim Sajjad and more than 50 ambassadors were at the airport to greet the president who returned home after a seven-day visit to China, his first to the neighboring country since he assumed power in October last year.

CPPCC Deputy Secretary Heads Group to Pakistan

OW1012070294 Beijing XINHUA in English 0602 GMT 10 Dec 94

[FBIS Transcribed Text] Islamabad, December 10 (XINHUA)—An eight-member delegation from the Chinese People's Political Consultative Conference (CPPCC) arrived here Friday [9 December] evening for a 10-day official visit to Pakistan.

The delegation, headed by Deputy Secretary of CPPCC Zhang Qia, was greeted at the Islamabad international airport by Pakistani Deputy Chairman of Senate Abdul Jabar.

During its stay in Pakistan, the delegation will hold discussions with their Pakistani counterparts on agriculture, leather technology, mining, education, marble industry and other areas.

The delegation will also meet Pakistani Chairman of Senate Wasim Sajjad, and Speaker of National Assembly Yusuf Raza Gillani.

The delegation is scheduled to visit Lahore and Karachi next week and to leave for Beijing on December 18.

Visits Pakistani Senate Chairman

OW1012171894 Beijing XINHUA in English 1659 GMT 10 Dec 94

[FBIS Transcribed Text] Islamabad, December 10 (XINHUA)—A visiting delegation of the Chinese People's Political Consultative Conference (CPPCC), headed by Deputy Secretary General Zhang Qia, called on Pakistan's Chairman of Senate Wasim Sajjad here today.

Wasim Sajjad said that Pakistan considers its friendship with China as an enduring feature of its foreign policy and a major factor for peace and stability in the region.

He added that in view of the tremendous changes taking place around the globe, there is a need for both China and Pakistan to further consolidate their bilateral relations in all fields of life.

Zhang Qia expressed the hope that discussions between Chinese parliamentarians and their Pakistani counterparts will promote Pak-China cooperation in various areas.

Political & Social

XINHUA Reports Yao Yilin Dies 11 Dec

Yao's Obituary Published

OW1212075594 Beijing XINHUA Domestic Service in Chinese 0718 GMT 12 Dec 94

[FBIS Translated Text] Beijing, 12 Dec (XINHUA)—Obituary notice issued by the CPC Central Committee, the National People's Congress Standing Committee, the State Council, and the Chinese People's Political Consultative Conference National Committee

Comrade Yao Yilin died in Beijing

The Central Committee of the Communist Party of China, the National People's Congress Standing Committee, the State Council of the People's Republic of China, and the Chinese People's Political Consultative Conference National Committee hereby make the following sad announcement: Comrade Yao Yilin, an outstanding party and state leader, distinguished proletarian revolutionary, excellent leader of China's economic work, and former member of the Standing Committee of the CPC Central Committee Political Bureau, died of illness at 1222 on 11 December 1994 in Beijing at the age of 77.

Comrade Yao Yilin was born in Guichi, Anhui. He joined the revolution in 1934 and was admitted to the Communist Party of China in 1935. He successively served as secretary of the CPC group of Beijing municipal students federation, director of the propaganda department and secretary of the Tianjin municipal party committee, secretary general and propaganda department director of the Hebei provincial party committee, propaganda department director of the Hebei-Rehe-Chahar regional party committee, secretary general of the Shanxi-Chahar-Hebei northern subbureau, secretary general of the central bureau, and director of the industry and commerce department of the North China People's Government. After the founding of the People's Republic, he successively served as vice minister and deputy secretary of the leading party group of the Ministry of Trade, vice minister and deputy secretary of the leading party group of the Ministry of Commerce, deputy director of the central finance and trade work department, deputy director of the State Council's Finance and Trade Office, minister and secretary of the leading party group of the Ministry of Commerce, director of the central political department for finance and trade, deputy secretary of the party committee of the State Council's Finance and Trade Office, deputy secretary general of the CPC Central Committee, director of the General Office of the CPC Central Committee, secretary general of the State Council's Finance and Economy Commission, vice premier of the State Council, minister and leading party group secretary of the State Planning Commission, deputy

head of the central finance and economy leading group, and head of the central leading group for import of intellectual resources.

Comrade Yao Yilin became alternate member of the CPC Central Committee during the Second Session of the Eighth CPC Central Committee. He was alternate member of the 10th CPC Central Committee; member of the 11th CPC Central Committee; member of the Central Committee, member of the Secretariat, and alternate member of the Political Bureau of the 12th CPC Central Committee; and member of the Central Committee, member of the Political Bureau, and member of the Political Bureau Standing Committee of the 13th CPC Central Committee. He was deputy to the First National People's Congress, Standing Committee member of the Third National Committee of the Chinese People's Political Consultative Conference, and member of the Fourth National Committee of the Chinese People's Political Consultative Conference.

Comrade Yao Yilin devoted all his life to the cause of Chinese people's revolution and construction. He made great contributions to reform, opening up, and socialist modernization. His life was a revolutionary and brilliant life. His death is a great loss to our party and our country. We should turn grief into strength, learn from Comrade Yao Yilin's revolutionary spirit and excellent character, unite closely around the Party Central Committee with Comrade Jiang Zemin at its core, adhere to the party's basic line, and work hard to build socialism with Chinese characteristics.

Eternal glory to Comrade Yao Yilin!

Further on Obituary

OW1212092794 Beijing XINHUA in English 0920 GMT 12 Dec 94

[FBIS Transcribed Text] Beijing, December 12 (XINHUA)—Chinese retired leader Yao Yilin, who died of illness here yesterday at the age of 77, was described as an outstanding proletarian revolutionary and eminent economic planner.

An obituary on Yao's death was jointly published here today by the Chinese Communist Party Central Committee, the Standing Committee of the National People's Congress, the State Council and the National Committee of the Chinese People's Political Consultative Conference.

Yao, born in 1917 in East China's Anhui Province, was a graduate of Qinghua University. He joined the Chinese Communist Party in 1935. As Secretary of the Communist Party Fraction in the Beiping Students' Federation, he was one of the organizers of the then Beiping students' patriotic movement against Japanese aggression and for democracy.

During the War of Resistance against Japan (1937-1945), Yao went underground, working as Secretary of

the Tianjin City Committee of the Chinese Communist Party and Secretary General of the Shanxi-Chahar-Hebei Bureau of the Party Central Committee.

Yao's career as an economic planner dated back to the country's liberation war period from 1946 through 1949 when he served as deputy director of the financial and economic office of the Shanxi-Chahar-Hebei Border Region Government and head of the Department of Industry and Commerce of the North China's People's Government.

After the founding of the People's Republic of China in 1949, Yao worked as Vice-Minister of Trade and then Vice-Minister and Minister of Commerce and deputy director of the office under the State Council in charge of finance and trade.

Like many other veteran officials in China, Yao was dismissed from office during the disastrous "Cultural Revolution" which began in 1966. Since 1973, Yao served successively as first Vice-Minister of Foreign Trade, Minister of Commerce, Minister in charge of the State Planning Commission, head of the leading group in charge of finance and economy under the Party Central Committee. He was appointed a Vice-Premier in 1978.

Yao was elected an alternate member of the Central Committee at the Party's eighth and tenth National Congress held in 1956 and 1973. He became a full member of the 11th Central Committee in 1977 and a member of the Secretariat of the Party Central Committee at the Third Plenary Session of the 11th Central Committee late in 1978.

Yao was elected an alternate member of the Political Bureau of the Party Central Committee in 1982 and an additional member of the Political Bureau in 1985.

Yao was elected a member of the Standing Committee of the Political Bureau of the 13th Party Central Committee.

Yao was also a member of the First National People's Congress and a member of the Standing Committee of the Third National Committee of the Chinese People's Political Consultative Conference.

The obituary said that Yao devoted all his life to the Chinese people's revolution and construction, and that he made great contributions to the country's reforms and opening to the outside world as well as its socialist modernization.

The obituary said that Yao's death is a great loss to the Party and the country.

Central Committee Denounces Local Protectionism

HK1112064494 Hong Kong LIEN HO PAO in Chinese 11 Dec 94 p 8

[Report: "Jiang Zemin and Others Denounce Local Protectionism, Vow To Punish Those Who Practice Double Dealing"]

[FBIS Translated Text] According to a Beijing source, in a bid to solve the problem of local protectionism, the CPC Central Committee has sternly urged all the provincial leaders to resolutely enforce the decrees of the central authorities at the Central Economic Work Conference which concluded a few days ago. If they practice double dealing, the central authorities will punish them in light of the seriousness of the case and remove them from office.

Reportedly, CPC General Secretary Jiang Zemin, Premier Li Peng, and Vice Premier Zhu Rongji severely denounced local protectionism at the Central Economic Work Conference held a few days ago. Jiang Zemin even got so excited that he pounded on the table. Local leaders who had failed to support the central government decrees were criticized by name. Hubei Party Secretary Guan Guangfu and Sichuan Governor Xiao Yang were on the list of those criticised.

Following the criticism of the central leaders, the source said, the provincial leaders "declared their position" and voiced support for the central decrees. The central leadership will "grade" the local leaders based on their performance in implementing the central decrees. If they practice double dealing and refuse to enforce the central decrees, they will be removed from their posts. XINHUA reported the day before yesterday that Governor Jia Zhijie had assumed the post of Hubei party secretary, replacing former secretary Guan Guangfu. This is the first move by the central authorities to reshuffle local leaders who refuse to cooperate with the central decrees. Further personnel arrangements will be made next spring in light of the situation.

The conflict between the CPC Central Committee and localities has becoming increasing acute, primarily in Guangdong. Thanks to the soaring prices in all localities throughout the country, Vice Premier Zhu Rongji said the other day that the question of price increases has become very serious because of the laissez-faire attitude taken by the localities. By "localities," Zhu Rongji was referring to Guangdong. The Guangzhou XINHUA branch filed a dispatch yesterday, saying that price increases in Guangdong from January to October this year were lower than the national average.

Compared with the same period last year, XINHUA reported, Guangdong's average commodity retail price index for the period from January to October rose 19.1 percent. Reportedly, the mainland's market retail prices from January to October rose 21.3 percent and consumption prices increased 23.7 percent. Guangdong's price increases were indeed lower than the national level. The report indicates that Guangdong is "demonstrating" against the central authorities. Zhu Rongji said that the localities had blind faith in the power of the market and allowed prices to increase without restrictions, resulting in price confusion. However, Guangdong insisted on proceeding from the local reality and making a breakthrough by taking a step ahead of others. Facts have shown that Guangdong has taken the correct path.

Central Committee Replaces Hubei Party Secretary

HK1112050594 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 10 Dec 94

[FBIS Translated Text] The CPC Central Committee has decided to appoint Comrade Jia Zhijie as Hubei Provincial CPC Committee secretary and relieve Comrade Guan Guangfu from his position as Hubei Provincial CPC Committee secretary and member.

State Council Mandates Fire Prevention Measures

OW0912152594 Beijing XINHUA in English 1513 GMT 9 Dec 94

[FBIS Transcribed Text] Beijing, December 8 (XINHUA)—The State Council, China's highest governing body, today mandated governments of province-level areas and central departments to take effective measures to prevent disastrous fires from breaking out.

In an emergency circular, the General Office of the State Council said that since the beginning of this winter disastrous fires have broken out in northeast China's Jilin and Liaoning Provinces, and in northwest China's Xinjiang Uygur Autonomous Region, killing hundreds of people and causing heavy property losses.

For example, a theater fire yesterday killed at least 300 schoolchildren and teachers, and injured more than 100 others in Xinjiang. The victims were watching a performance at the Youyi Theater in the City of Karamay when the fire broke out at 19:30 [1130 GMT].

The circular ordered governments at various levels to attach the utmost importance to fire prevention and take effective measures to solve problems in this regard.

All localities must immediately organize fire-prevention inspections, it said.

Dance halls, cinemas, theaters, hotels, restaurants, stores and other public places, as well as places for storing explosives and other hazardous articles must meet fire-prevention norms set by the central and local governments, it said.

The circular said that establishments failing to meet the norms must be shut down immediately.

In approving projects, public security departments must tighten supervision over fire-prevention facilities, it added.

It is also imperative to step up education in fire prevention among the general public, it said.

The circular said that those held responsible for disastrous fires must be punished according to law.

The causes of such fires must be thoroughly investigated and the culprits brought to justice, it stressed.

Li Lanqing Sends Condolences

OW1212063694 Urumqi Xinjiang Television Network in Mandarin 1330 GMT 11 Dec 94

[Announcer-read report; from the "Xinjiang News" program]

[FBIS Translated Text] The disastrous fire that broke out in Karamay city on 8 December has attracted the attention of the CPC Central Committee, State Council, and autonomous regional leaders. Vice Premier Li Lanqing sent a cable from Beijing on 10 December, in which he extended condolences to the victims' families and expressed his sympathy for the injured. He underscored the need for paying attention to production safety.

Along with leaders such as Wang Lequan, acting secretary of the autonomous regional party committee, and autonomous regional Chairman Abdulahat Abdurixit, Xu Zhijian, deputy secretary general of the State Council who arrived here on 9 December, and his delegation, visited and surveyed the site of the fire, extended condolences to the victims' families, and called on the injured and workers and staff members of various nationalities.

Wang Lequan inspected the Karamay oil refinery and power plant on the morning of 10 December. While visiting workers and staff members of various nationalities who remained on duty, he said: The CPC Central Committee, State Council, and autonomous region attach great importance to this disastrous fire. The departments concerned are actively investigating the cause of the accident. After the accident, the Karamay city party committee, the city petroleum administration party committee, and various medical departments went all out to rescue the injured as they tried their best to minimize losses. He said: The oil refinery and the power plant, both of which are important enterprises, must be more safety-conscious. They must ensure production safety, normal production at the oil field, and the safety of workers and staff members, and must never allow a recurrence of such a tragedy.

Production at the Karamay oil field is now proceeding normally, with daily output of crude oil being maintained at approximately 22,500 tonnes, and 15,000 tonnes of crude oil being refined daily.

Jiang Zemin Addresses Legal Seminar

OW0912134694 Beijing XINHUA Domestic Service in Chinese 0800 GMT 9 Dec 94

[By RENMIN RIBAO reporter Chen Weiwei (7115 4850 0251) and XINHUA reporter Zou Aiguo (6760 1947 0948)]

[FBIS Translated Text] Beijing, 9 Dec (XINHUA)—Huairentang Hall in Zhongnanhai, the venue for discussing important party and state affairs, became a classroom for central leading comrades to study the knowledge of laws today.

Jiang Zemin, Qiao Shi, Li Ruihuan, Liu Huaqing, and Hu Jintao, together with other leading comrades of the CPC Central Committee's Political Bureau and Secretariat, and the State Council, listened with great interest to the first lecture given by 39-year-old Professor Cao Jianming of the Huadong Institute of Political Science and Law, entitled: The International Commercial and Trade Legal System, and GATT.

The legal knowledge lecture for central leading comrades was arranged by the CPC Central Committee at the suggestion of the Ministry of Justice party group.

General Secretary Jiang Zemin gave a five-minute opening speech at the beginning of the lecture. He said: The Fourth Plenary Session of the 14th CPC Central Committee demanded cadres of party and government organizations at and above the county level to diligently study knowledge on laws and other sciences, while studying and mastering Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. Studying and mastering the necessary legal knowledge and striving to raise all-level leaders' skills to use legal means to manage economic and social affairs, is the party's major requirement of leading cadres at all levels in upholding the party's basic line; ensuring the deepening of reform and opening up; and safeguarding social stability in the new era. The purpose of setting up the socialist legal system and of ruling the country according to the law is to build China into a strong, prosperous, democratic, civilized, modern socialist country. In establishing a socialist market economic system, we must learn how to apply laws to regulate and guide operations of the market economy, and to bring into full play the positive role of market mechanisms in economic development, in order to formulate standards and laws on market operations and to guarantee the sound development of a socialist market economic system. The CPC Constitution's general program and the PRC Constitution provide that we must administer work in all fields of endeavor according to the law. Leading cadres at all levels, who administer work in all fields of endeavor, must strive to study and master the necessary legal knowledge.

Jiang Zemin said: Leading cadres must not only help popularize education on legal knowledge and lead all party members in studying laws and abiding by and doing things according to the law, but must also help promote the establishment of the socialist market economic system and legal system for the entire country; to ensure the smooth progress of reform, opening up, and the socialist modernization drive.

Professor Cao Jianming, the keynote speaker at the Huarentang Hall today, has taught at the Department of International Law of the Huadong Institute of Political Science and Law for eight years. He has successively given lectures or been a visiting scholar and professor in Hong Kong, Belgium, and the United States. He is an arbitrator of the China International Economic and

Trade Arbitration Committee and director of the Chinese Society of International Law. Speaking with composure and fluency during the lecture, he organically combined substantive theory with vivid practical examples, covering both principles and concrete matters. Jiang Zemin and other leading comrades listened attentively while taking notes from time to time.

During the 90-minute lecture, Cao Jianming discussed four issues: The international commercial and trade legal system and China's reform and opening up; new developments in the international commercial and trade legal system and China's laws governing business relations with foreigners; GATT and China's economic legal system; and thoughts and suggestions. He suggested: In setting up sound legal mechanisms governing trade and economic relations with foreigners commensurate with international economic and trade rules and common practices, we should accelerate the pace of enacting laws governing business and trade relations with foreigners; attach importance to the transparency of laws and policies concerning business and trade relations with foreigners; step up training of people specializing in international economic laws; actively develop intermediate organizations of the market and bring into play their role in service, communication, notarization, and supervision; and strictly enforce the laws, and improve and strengthen the management and supervision of economic activities related to foreigners.

In concluding the lecture, Cao Jianming said: In the course of opening up China to the outside world and reforming its structure, we should not only skillfully summarize and correctly apply the experiences in domestic construction of the legal system, but also proceed from the perspective of international economic laws in studying and drawing reference from some international economic principles, rules, and common practices to enable China's laws, policies, and common economic and trade practices to converge with universally-acknowledged international conventions and norms as soon as possible. This is very important for expediting the construction of China's economic legal system, setting up and developing a socialist market economic system, and expanding equal and mutually beneficial cooperation with foreign countries.

At the end of the lecture, Cao Jianming received an ovation from all in attendance. Jiang Zemin, Qiao Shi, Li Ruihuan, and other leading comrades also held discussions on ways and means to establish and perfect the system of China's laws governing economic and trade relations with foreigners, developing economic and trade relations with foreign countries, intensifying publicity and education on international commercial and trade laws, and promoting the socialist modernization drive.

Senior officials of the CPC Central Committee and State Council departments concerned also attended the lecture.

Li Ruihuan, Ye Xuanping View CPPCC Work
*OW1012100094 Beijing XINHUA Domestic Service in
Chinese 1357 GMT 9 Dec 94*

[By reporter Zhu Dongju (2612 0392 5468)]

[FBIS Translated Text] Beijing 9 Dec (XINHUA)—A national forum on exchanging working experiences gained by local committees of the Chinese People's Political Consultative Conference [CPPCC] ended in Beijing on 9 December. Li Ruihuan, standing committee member of the CPC Central Committee Political Bureau and chairman of National CPPCC Committee attended and spoke at the meeting. He said that continuing efforts should be made to carry out the guiding spirit of the central authorities concerning the work of the CPPCC and conscientious and effective measures should be taken to implement the work.

Li Ruihuan said: Since 1986, when a national forum on the work of local CPPCC committees was held, local CPPCC committees, against a background of the development of reform, opening-up, and modernization in China, have been increasingly active in their work. They have achieved gratifying results and accumulated much experience. It has been a requirement of all local CPPCC committees and a responsibility of the National CPPCC Committee to conscientiously sum up and promote these experiences. The meeting introduced the results of experience from a variety of places which has been found practical and applicable. I believe the meeting will play an important role in comprehensively enhancing the working standard of all CPPCC committees.

Li Ruihuan continued: It has been our party's fine tradition to carry out the work on the basis of experience. Relying on experience is also a basic way to do various kinds of work well. As far as the CPPCC committees are concerned, this method is of particular importance. This is because, for one thing, we have to grope for new ways to deal with, in accordance with the guiding spirit of the central authorities, many problems cropping up in the new period. On the other hand, instead of being a leading organization, the National CPPCC Committee merely provides guidance to its local committees. Relaying information on the situation and exchanging experience, though, are important ways to provide guidance. We will, therefore, persist in doing this in the future and strive to make it a routine practice that will turn out to be even more extensive and colorful.

While talking about how to conscientiously and effectively carry out the work of CPPCC committees, Li Ruihuan said: The key lies in implementing the guiding spirit, which has already been defined by the central authorities. In other words, we should carry out the old spirit in the light of the new situation. It goes without saying that, with the development of reform and opening-up, as well as with the gradual establishment of a socialist market economy, the work of the CPPCC committees, just like any other work, should be innovative

and expansive. The effort to integrate the guiding spirit, principle, and regulations of the central authorities with new, changing situation is in itself renovation and expansion.

Li Ruihuan said: The key to promoting the overall standard of the work of the CPPCC committees lies in CPPCC members playing a better role. According to opinions expressed by CPPCC members, and experience gained by various local committees, we should improve our work in the following ways: First, it is necessary to strengthen our activities. We should ensure that such activities are conducted in a diversified, routine, and effective manner. Second, we should pay more attention to opinions expressed by our members. We should sum up and sort out their opinions in timely fashion, and present them to party and government leaders and to relevant departments. We should also follow up on cases that are dealt with, and accurately and responsibly report back to members on the results of the cases. Third, the work of relaying information should be strengthened. More information and situation reports should be given. We should create favorable conditions to help our members have a better understanding of the current situation and of our policy.

In conclusion, Li Ruihuan said: The work of the CPPCC committee is very important. It is our hope that party committees and governments at all levels will pay attention to our work and support it. The CPPCC committee has poor working conditions, and faces many problems and difficulties. We hope that leading departments of the party and the government will show more concern about them. Comrades of the CPPCC committees should do their work well and seek guidance from party committees and support from various circles.

Ye Xuanping, vice chairman of the national CPPCC committee, made a concluding speech at the meeting. He said: It has been a successful meeting in which much experience has been exchanged and many problems discussed. As a result, we have widened our view and strengthened our confidence.

Summarizing the experiences exchanged at the meeting, Ye Xuanping pointed out the following major points: It is necessary to carry out the functions of the CPPCC committees by closely centering on the major tasks of the party committee and the government. We should pay attention to such activities as routine meetings, inspections, and proposals. We should bring into full play the fundamental role of special committees of the CPPCC committees. We should strive to create democratic and harmonious political environment. We should take active measures to ensure that the work of consultation and supervision is regularized and institutionalized. Efforts should be made enhance contacts and cooperation between various organizations. We should conscientiously do well in self-constructing the CPPCC committees. We should actively seek the leadership of the CPC Central Committee and the support of the National

People's Congress and the government. Ye Xuanping also put forward seven measures on how the CPPCC committees can meet the need for development of the situation and how the National CPPCC Committee can establish close contacts with its local committees.

Attending today's meeting were vice chairmen of the National CPPCC Committee, Wu Xueqian, Yang Rudai, Wang Zhaoguo, Ngapoi Ngawang Jigme, Seypidin Aze, Hong Xuezhi, Hu Sheng, Sun Fuling, Zhu Guangya, and Wan Guoquan as well as Secretary General Zhu Xun.

Ding Guangen Speaks at Propaganda Chiefs' Class

OW0912125494 Beijing XINHUA Domestic Service in Chinese 1159 GMT 8 Dec 94

[By RENMIN RIBAO reporter Jia Zhaoquan (6328 2507 0356) and XINHUA reporter Qu Zhihong (2575 1807 4767)]

[FBIS Translated Text] Beijing, 8 Dec (XINHUA)—The second national study class for propaganda department directors of party committees of large and medium cities concluded here today.

The CPC Central Committee Propaganda Department began holding study classes for propaganda department directors of party committees of large and medium cities in late August this year, with a view to further implementing the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee and the national propaganda and ideological work conference, studying ways to make propaganda and ideological work a success under the new situation in light of the characteristics of large and medium cities, and summing up and sharing experiences. The second study class, which opened on 9 November, was attended by 34 propaganda department directors from 34 large and medium cities nationwide.

During the month-long class, students earnestly studied Volumes 1 through 3 of the *Selected Works of Deng Xiaoping*, especially Comrade Deng Xiaoping's important works on propaganda and ideological work, and Comrade Jiang Zemin's speech at the national propaganda and ideological work conference. They also studied in depth the basic principles and tasks for propaganda and ideological work under the new situation, as well as such special topics as arming people with scientifically sound theories, guiding people with correct publicity, molding people with lofty values, inspiring people with excellent works, and augmenting the ranks of propaganda and ideological cadres. They also analyzed the favorable situation and some existing problems on the propaganda and ideological front since the 14th CPC National Congress, especially since the national propaganda and ideological work conference, in light of the realities of their work; summed up and shared their experiences; and further defined tasks in propaganda and ideological work and measures that should be taken in this respect.

During the class, leading CPC Central Committee Propaganda Department comrades gave lectures on special topics. Central Party Literature Research Center, State Council Research Office, and State Science and Technology Commission leaders delivered special-topic reports. Ding Guangen, member of the CPC Central Committee Political Bureau and director of the CPC Central Committee Propaganda Department, visited and spoke with the students. Briefing them on the situation and ideas regarding current and future propaganda and ideological work, he pointed out: In carrying out propaganda and ideological work, we should continue to uphold Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line; fully implement the guidelines of the 14th CPC National Congress and the Third and Fourth Plenary Sessions of the 14th CPC Central Committee; continue to keep in mind the overall requirements for "seizing the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability" for work throughout the party and country; handle more properly the relationship between reform, development, and stability; and serve the needs for expediting the establishment of a socialist market economic system and for achieving sustained, rapid, and healthy national economic development and all-around social progress. He expressed the hope that everybody would make even greater contributions to the party's propaganda and ideological work during the new year.

At the end of the study class, organs under the CPC Central Committee Propaganda Department and central propaganda and cultural organizations held a gathering with the students.

Liu Huaqing Inscribes for Revolutionary Base

OW1212034194 Beijing XINHUA Domestic Service in Chinese 1235 GMT 10 Dec 94

[By reporter Qu Shengwen (1448 0524 2429) and trainee Zhang Lianye (1728 6647 2814)]

[FBIS Translated Text] Xian, 10 Dec (XINHUA)—The Shaanxi provincial party committee and government held a gathering in Shangluo today to commemorate the 60th anniversary of the Hubei-Henan-Shaanxi revolutionary base. Liu Huaqing, member of the CPC Central Committee Political Bureau and vice chairman of the Central Military Commission, wrote an inscription which read: "Carry Forward the Revolutionary Tradition and Construct Old Revolutionary Bases."

Sixty years ago the CPC Hubei-Henan-Anhui provincial party committee led the 25th Army of the Chinese Worker and Peasant Red Army in marching into Shaanxi and established a Hubei-Henan-Shaanxi revolutionary base in Shangluo. At that time, the Chinese revolution was at a low ebb. It was the only revolutionary base built by the Red Army when it began to change strategies. The establishment of the revolutionary base

made great contributions to changing the supreme headquarters of Chinese Revolution from the south to the north.

Li Huanzheng, member of Shaanxi provincial party committee Standing Committee and secretary of the provincial discipline inspection commission; and Qian Xinzhong, former president of the 25th Military Hospital, spoke at the commemorating ceremony.

Comrades who attended the ceremony presented wreaths to the deceased at the Danfeng Martyrs' Cemetery.

Hu Jintao Exhorts Party To Study Deng Theory

OW1012131694 Beijing XINHUA Domestic Service in Chinese 0924 GMT 8 Dec 94

[By RENMIN RIBAO reporter Chen Weiwei (7115 4850 0251) and XINHUA reporter Zheng Qingdong (6774 1987 2639)]

[FBIS Translated Text] Beijing, 8 Dec (XINHUA)—On 8 December, Hu Jintao, Political Bureau Standing Committee member and Secretariat member of the CPC Central Committee, attended a forum with members of the fifth theoretical study class for party member-experts at the Huarentang Hall in Zhongnanhai. The class was held by the Central Organization Department. During the forum, he urged intellectuals at large, especially experts who are party members, to diligently study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics in light of the realities of their thinking and scientific and technological work, to further recognize the historical mission and grave responsibilities on their shoulders, to foster the correct outlook on the life and value concept, to bring into play the spirit of going all out to work and to sacrifice, and to be bold in scaling new heights in science and technology, so as to make still greater contributions to reform, opening up, and the modernization drive.

During the forum, Bai Chunli, deputy director and researcher of the Chinese Academy of Sciences Chemistry Institute; Professor Zhu Guoying of the Public Health Ministry's affiliated Beijing Medical University; Song Tianhu, director and researcher of the Machine-Building Industry Ministry's affiliated Machinery Science Institute; Hu Dongcheng, chairman, professor, and doctorate degree adviser of the Qinghua University's Automation Department; researcher Zhao Shuqiang of the Jishuitan Hospital in Beijing; Hong Dingyi, director, professor, and senior engineer of the Yanshan Petrochemical Research Institute; and Chen Jiagui, deputy director, party committee secretary, and researcher of the Academy of Social Sciences Economics Research Institute; spoke freely of what they had learned at the study class. They also aired views and suggestions on ways to train trans-century scientists, to bring into further play the role of party member-scientists, and to convert science and technology into productive forces.

After listening to the speeches, Hu Jintao spoke. He fully affirmed the results achieved at the study class, and pointed out: Holding short-term theoretical classes for party member-experts is an effective method for raising their ideological and theoretical level. We should earnestly summarize experiences so that we can run study classes more efficiently.

He said: The world today is witnessing an increasingly fierce competition for overall national strength based on economics, science, and technology, while China is facing extremely arduous tasks in reform and construction. To promote the rapid, sound development of the Chinese economy and all-round progress of society, and to gain a greater initiative in the international arena, we are required to attach even greater importance to developing science and technology and to bringing into full play the role of intellectuals.

Hu Jintao emphasized: It is Comrade Deng Xiaoping's consistent thought to "respect knowledge and talented people." The important theses on "science and technology as the primary productive forces" and on knowledge and intellectuals are the major components of the theory of building socialism with Chinese characteristics. He said: Since reform and opening up, Comrade Deng Xiaoping has always paid close attention to the advancement of science and technology and to the building of the ranks of intellectuals. From the heights of liberating and expanding productive forces, of the success or failure of reform, and of the overall situation of socialist modernization, he has repeatedly emphasized the needs to modernize science and technology; to train a mammoth contingent of working class-scientific and technical personnel who are both socialist-minded and professionally proficient; to nurture a large number of the world's top-rated scientists, engineers, and technical experts; and the needs for China to occupy a place in the world's high technology field. He has emphasized that the ability to discover, unite, and use talented people should be one of the main criteria for evaluating leaders' maturity. These theses of Comrade Deng Xiaoping are the important guiding principles for ensuring a good job in work related to intellectuals.

Party committees and governments at all levels should diligently study and thoroughly grasp the theses, enhance the understanding and unify the thinking, and comprehensively implement the guiding principles in concrete work. They should place the work related to intellectuals as an important item on the agenda and exercise effective leadership over the work. They should earnestly summarize experiences and take feasible measures to promptly study new circumstances and solve new problems cropping up in the work. They should regularly go down to the frontline of research and teaching to befriend intellectuals and to listen attentively to their views and suggestions, going all out to help them solve practical problems and to create a favorable environment for intellectuals at large to bring their role into full play and to make way for outstanding talented people to stand out.

The fifth theoretical study class for party member-experts, which opened in Beijing on 25 November, ended today. The two-week class was attended by 24 party member-experts from 14 ministries and commissions, as well as Beijing and Tianjin.

Deputy director Wu Lianyan of the Central Organization Department chaired the forum today.

Excerpts of Deng's Works To Be Published

OW1112052394 Beijing XINHUA Domestic Service in Chinese 0342 GMT 10 Dec 94

[FBIS Translated Text] Beijing, 10 Dec (XINHUA)—To help vast numbers of party members and cadres in general to learn, study, and grasp systematically and in a deep-going way Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, *Excerpts of 'Selected Works of Deng Xiaoping' on Special Subjects*, compiled by the Archives Department of the Central Party Literature Research Center, will soon be published by the CPC Party History Publishing House.

The book is compiled from the newly published Volumes 1 and 2 of the *Selected Works of Deng Xiaoping*, as well as from Volume 3 of the selected works, which was published last year. It divides the theory of building socialism with Chinese characteristics into 21 subjects and, using Deng Xiaoping's penetrating thesis as index, collects his expositions on selected subjects and groups them into 190 topics. The excerpts are arranged chronologically, thus enabling them to systematically reflect every important idea of Deng Xiaoping in a nutshell. Its publication will provide readers a very user-friendly book for learning, studying, publicizing, and profoundly understanding the origin, formation, and development of the theory of building socialism with Chinese characteristics and for grasping its scientific system.

Report on Leaders' Activities 18 Nov-8 Dec

OW0912165094

[FBIS Editorial Report] PRC media monitored from 18 November to 8 December carried the following reports on PRC central leadership activities. The source is noted in parentheses after each report.

Li Lanqing, Zou Jiahua Visit Auto Show—Over the past two days, Li Lanqing, Zou Jiahua, Wang Guangying, Song Jian, and other leading comrades visited the Beijing International Trade Center to view the 1994 Chinese family sedan exhibition. More than 80 sample sedans from the United States, Japan, France, Germany, Italy, and Korea are being displayed. (Beijing Central Television Program One Network in Mandarin 1100 GMT 18 Nov 94)

Li Lanqing Meets South Korean Corporate Head—At a ceremony on 18 November, South Korea's Daewoo Group donated books to 1,100 high schools in China. The books are worth 5 million yuan. After the ceremony,

Vice Premier Li Lanqing met with (Kim Woo-chung), president of the Daewoo Group, and other members of the Korean delegation. (Beijing Central Television Program One Network in Mandarin 1100 GMT 18 Nov 94)

Li Peng, Li Lanqing Inscribe For University's Anniversary—On 1 December, the Wuhan Water Conservancy and Hydroelectric Power University celebrated its 40th founding anniversary. Li Peng and Li Lanqing wrote inscriptions for the occasion. Li Peng's inscription reads: "Deepen educational reform and train skilled personnel in water conservancy and hydroelectric power." Li Lanqing's inscription reads: "Give full play to human and material resources, further improve teaching quality, and make contributions to training more outstanding skilled personnel in water conservancy and hydroelectric power." (Beijing XINHUA Domestic Service in Chinese 0955 GMT 2 Dec 94)

Li Ruihuan Named Honorary Committee Chairman—On 2 December, the Organizing Committee for the 1999 International Architects' Congress was inaugurated in Beijing. Li Ruihuan is honorary chairman, and Construction Minister Hou Jie is chairman of the organizing committee. (Beijing Central People's Network in Mandarin 1030 GMT 2 Dec 94)

Song Ping Writes Book's Preface—The Dangjian (Party Building) Publishing House recently published a book, entitled, "Comments on the Unified Leadership," written by Hou Lei, secretary of Hebei's Baoding City party committee. Comrade Song Ping wrote a foreword for the book, hailing Hou Lei's efforts. (Beijing Central People's Radio Network in Mandarin 2230 GMT 2 Dec 94)

Bo Yibo Inscribes for Late General's Birthday—On 3 December, the Revolutionary Committee of the Chinese Kuomintang (RCKK) Central Committee held a meeting in Beijing to mark late General Deng Baoshan's 100th birthday. Song Ping attended the meeting. Bo Yibo penned an inscription, which reads "Learn from General Deng Baoshan's lofty character in cherishing the motherland, the people, and the CPC, and strive to promote educational programs on patriotism." Comrade Xi Zhongxun wrote a letter to RCKK, hailing General Deng Baoshan's past deeds. (Beijing XINHUA Domestic Service in Chinese 0926 GMT 3 Dec 94)

Liu Huaqing Inscribes for General's Book—On 3 December, the Nanjing Military Region held a forum to mark the publication of the book "Nie Fengzhi—An Outstanding General." Liu Huaqing, Standing Committee member of the CPC Central Committee Political Bureau and Central Military Commission (CMC) vice chairman, and Chi Haotian, CMC member and defense minister, wrote inscriptions for the book, hailing General Nie's military expertise. CMC vice chairman Zhang Zhen wrote a forward for the book. (Nanjing Jiangsu People's Radio Network in Mandarin 2300 GMT 3 Dec 94)

Huang Ju Meets Japanese Delegation—On 6 December, Mayor Huang Ju met with a delegation from the Japan External Trade Organization led by Japanese lower house Diet member Yoshio Sakurachi in Shanghai. The mayor had a friendly conversation with the delegation. After briefing the guests on Shanghai's development in recent years, he said: Shanghai intends to curb inflation to maintain a rapid, sustained, and healthy (kuai shu chi xu jian kang) development of its economy. (Shanghai People's Radio Network in Mandarin 2300 GMT 4 Dec 94)

Li Lanqing Visits Invention Exhibition—On 5 December, Li Lanqing, CPC Central Committee Political Bureau member and State Council vice premier, visited the second National University Students' Applied Science and Technology Invention Exhibition in Beijing. After affirming the achievements exhibited at the Beijing International Conference Center, Li Lanqing said: "We encourage integrating teaching with practice to serve production. University students can temper their ability in various areas by participating in applied science and technology invention activities." (Beijing XINHUA Domestic Service in Chinese 1003 GMT 5 Dec 94)

Wang Zhaoguo, Hu Qili Attend Cross-Strait Electronics Fair—On 6 Dec, the first cross-strait electronics industrial fair opened in Beijing. More than 150 enterprises from the two sides of the Taiwan Strait participated in the fair. Wang Zhaoguo, Chinese People's Political Consultative Conference (CPPCC) National Committee vice chairman; and Electronics Industry Minister Hu Qili cut the opening ceremony ribbons. (Beijing XINHUA Domestic Service in Chinese 0820 GMT 6 Dec 94)

Li Peng Inscribes for Hakkas' Meeting—On 6 December, some 1,900 Hakkas from over 30 countries and regions across the world attended the opening of the 12th international Hakkas get-together in Meizhou, Guangdong. Li Peng inscribed: "Promote the Hakkas' tradition and invigorate the national spirit." Xie Fei, CPC Central Committee Political Bureau member and Guangdong provincial party committee secretary, attended the opening. (Beijing XINHUA Domestic Service in Chinese 0946 GMT 6 Dec 94)

Li Ruihuan, Wu Xueqian Attend CPPCC Meeting—On 6 December, a national meeting to exchange experiences in the work of local CPPCC committees opened in Beijing. Li Ruihuan, Standing Committee member of the CPC Central Committee Political Bureau and CPPCC National Committee chairman; and Yang Rudai, CPPCC National Committee vice chairman; attended the meeting. Wu Xueqian, CPPCC National Committee vice chairman, spoke at the meeting. Wu Xueqian urged the attendees to freely express their views, exchange experiences, learn from one another, and comprehensively study and discuss common issues. (Beijing XINHUA Domestic Service in Chinese 1035 GMT 6 Dec 94)

Rong Yiren, Li Lanqing Inscribe for Advertising Association—On 6 December, China's Advertising Association's Fourth National Congress opened in Beijing. Li Peiyao, NPC Standing Committee vice chairman, attended the meeting. Vice President Rong Yiren, Vice Premier Li Lanqing, and NPC Standing Committee Vice Chairmen Chen Muhua and Wang Guangying wrote inscriptions for the congress, urging the association to improve service and promote China's advertising industry's development. (Beijing Central People's Radio Network in Mandarin 2230 GMT 6 Dec 94)

Zou Jiahua Hails Shanghai Highway's Opening—On 7 December, the 48-km Shanghai internal belt highway opened to traffic. Zou Jiahua, CPC Central Committee Political Bureau member and State Council vice premier; Wang Bingqian, NPC Standing Committee member; and Huang Ju, CPC Central Committee Political Bureau member, Shanghai municipal party committee secretary, and mayor; attended the opening ceremony. Speaking at the ceremony, Zou Jiahua and Huang Ju commended the Shanghai people for their concerted efforts in accomplishing the project. (Beijing XINHUA Domestic Service in Chinese 1232 GMT 7 Dec 94)

Song Ping Attends Scholastic Forum—On 8 December, a forum was held in Beijing to discuss the novel "New War and Peace," written by Li Erzhong, former Hebei Provincial Party Committee secretary and governor. Song Ping attended the forum. (Beijing XINHUA Domestic Service in Chinese 1119 GMT 8 Dec 94)

Li Peng, Li Tieying Greet Young Social Scientists—On 8 December, the first national award for outstanding young social scientists was held in Beijing. Li Peng, Standing Committee member of the CPC Central Committee Political Bureau and State Council premier, wrote an inscription for the award, which reads: "Conduct theoretical study of social sciences, train young scientists specializing in cross-century subjects." Li Tieying, CPC Central Committee member and state councillor, sent a congratulatory letter. In the letter, he said: "The evaluation of works by award recipients represents the first comprehensive review since the PRC's founding of research results by young social theorists. We are pleased to see that the cross-century younger generation is playing an increasingly important role in the social science front." He added: "Social scientists are burdened with the heavy task of providing theoretical support and intellectual service for the modernization drive. As the 21st century is around the corner, we must attach great importance to training cross-century young theorists." He urged "the relevant departments to adopt effective and practical measures and young theorists to devote themselves to the great practice of building socialism with Chinese characteristics." (Beijing XINHUA Domestic Service in Chinese 1229 GMT 8 Dec 94)

Li Peng, Zou Jiahua, Li Lanqing, Tian Jiyun Inscribe For New Consortium—On 8 December, the China Technology Group, a consortium of 128 enterprises aimed at

promoting technology imports and exports, was inaugurated in Beijing. State Council Premier Li Peng penned an inscription for the group. Vice Premiers Zou Jiahua and Li Lanqing, and NPC Standing Committee Vice Chairpersons Tian Jiyun, Chen Muhua, and Tomur Dawamat also wrote inscriptions, expressing hopes that the group will contribute to China's economic and technological progress and to economic and trade ties with foreign countries. (Beijing XINHUA Domestic Service in Chinese 1235 GMT 8 Dec 94)

Expert Assures Daya Bay Contamination 'Not Unusual'

HK1012082594 Hong Kong SOUTH CHINA MORNING POST in English 10 Dec 94 p 4

[By Elisabeth Tacey]

[FBIS Transcribed Text] Contamination of the water and air around Daya Bay may leap tenfold during the refuelling process at the nuclear station compared with usual releases, the power company says. Workers at the station are also likely to face radiation doses of at least 10 times their usual exposure. But Hong Kong Nuclear Investment Co (HKNIC) safety adviser Jacques Pretti said the changes were not unusual.

The company said the radiation released from the plant was already 10 times that from similar French plants, which an independent consultancy said was high. But it said the releases were within international guidelines.

The Friends of the Earth said it was concerned about the effects on the environment and was seeking further data from academics and the company.

The news came ahead of the release today, for the first time, of a bulletin giving an insight into the plant's day-to-day operation, following concerns among legislators about secrecy at the plant. These bulletins would probably be issued monthly, as they were in other plants around the world, said Mr Pretti.

HKNIC managing director Dr Lee Yui-bor will today launch the first leaflet and explain the refuelling shutdown, which starts a week today.

During the 4 and 1/2-month operation, the reactors will be opened, all the potentially lethal, highly radioactive fuel rods removed, and two-thirds put back, with new ones to replace the other spent third.

Unit one of the twin-reactor station will close for 11 weeks restarting on February 26. Unit two, which went into service six months after the first, will shut on March 10 for a shorter period.

Apart from the dangerous refuelling—during which the rods are transferred under water, which absorbs radiation—all parts of the reactor and circuits have to be checked for tiny cracks or weak welds that could lead to

a disaster if not spotted. More than 5,000 workers, mostly local contractors, will be involved compared with the usual 2,500.

Yesterday, Mr Pretti said the bulletin would include details of radioactivity released each month as gases from the building that linked the two reactor buildings or in water contaminated as it cools the radioactive reactor core. Although gases and water were filtered, some radioactivity was bound to remain, he said. And during the "outage," particularly if the fuel rods had tiny cracks, extra radiation was bound to leak out, he said. "If we have to perform inspection of some highly radioactive components, a tenfold increase (in dose to workers) is not unusual. Some components are highly contaminated," he said.

Between January and October, the company had released 11.1 percent of the limit of radiation allowed to be released each year, he said. Michael Schneider of the World Information Service on Energy in Paris said that was "quite a bit" compared with other plants.

Execution Protesters To Face Prosecution

HK1212070794 Hong Kong EASTERN EXPRESS in English 12 Dec 94 p 8

[By Bruce Gilley]

[FBIS Transcribed Text] Police have been ordered to arrest and prosecute people who interfere in the execution of prisoners.

The order, made following a national judicial meeting last December, is aimed at countering an apparent upsurge in popular protests against arbitrary and excessive use of the death penalty.

More than 1,419 people were put to death in China last year, while a further 696 were killed in the first half of this year. Execution figures tend to rise dramatically during anti-crime campaigns, which are waged periodically in accordance with orders from Beijing.

A string of incidents have recently occurred in which citizens have made symbolic or indirect protests against the execution of prisoners, according to reports obtained by EASTERN EXPRESS. In most cases, the protesters are the friends or relatives of the condemned. Examples include the forcible payment of road tolls by vehicles carrying condemned prisoners to an execution ground and the holding in public of Buddhist funeral services for executed people.

Local authorities initially detained those involved using arbitrary detention or "party discipline" powers. But at a national meeting of senior court officials in December last year, Beijing was asked to make a ruling to "determine the nature" of such acts, according to a recent report in the official CHINESE BUSINESS TIMES. The answer was that the cases should be dealt with using the criminal code.

"If such incidents are not seriously dealt with according to law, then what law will there be to speak of? How could there be a good environment for the enforcement of the law?", Wang Huaian, the director of the law consultation committee of the Supreme People's Court, was quoted as saying in the report.

On May 20, 1993, two judicial cars and a convict van carrying three condemned highway robbers to an execution ground were halted by transport officials in the Sichuan province city of Deyang, just north of the capital Chengdu. After letting the two cars pass, about 40 transport officials surrounded the van carrying the prisoners and refused to let it pass, claiming it had not paid a road toll. The gang refused to disperse until the officer in charge of the executions fired his gun into the air. After the executions were carried out, the transport officials held a demonstration outside the Deyang city court. Seven court officials were dragged out of the building and beaten.

The report did not specify the motives of the transport officials, but said "although it was set off by a dispute over road tolls, it amounted to the obstruction of public duties."

"Such recklessness, which seriously impeded judicial authorities in carrying out their duties, must be earnestly dealt with according to law," Ren Jianxin, the president of the Supreme People's Court, said.

A Sichuan supreme court report said the incident showed "the status and dignity of national law and the glory of the party are being trampled underfoot by the people". The report did not say if any of the Deyang transport officials had been rearrested as a result of the new ruling.

Two earlier incidents, in 1982 and 1992, involved the detention of about a dozen people who took part in public Buddhist funeral services for executed prisoners, according to a recent internal document of the Supreme People's Court obtained by Human Rights Watch/Asia. In the former case, the principal suspects also arranged the burning of effigies of court officials and "slandered the government for using brutal methods", according to the document. Officials initially detained those involved for "illegal demonstrations" and "counterrevolutionary offences", but the Supreme People's Court said that such cases should be dealt with under the crime of "hooliganism".

"Such people are hooligans who recklessly create disturbances. They have a malicious and anti-social attitude and publicly destroy public order," the court said.

Dissidents Appeal to NPC on Police Harassment

OW1012062194 Tokyo KYODO in English 0543 GMT
10 Dec 94

[FPIS Transcribed Text] Beijing, Dec. 10 KYODO—A group of prominent Chinese intellectuals signed an

appeal to China's National People's Congress (NPC) in an effort to end police harassment of political dissidents.

The appeal, organized by friends of Tiananmen dissident Wang Dan, is addressed to Qiao Shi, chairman of the NPC, and asks that police harassment and surveillance of Wang be stopped.

It follows an "urgent appeal" signed by 22 leading Chinese dissidents Thursday [8 December], which called for the safety and personal freedom of Wang, who received a death threat from undercover policemen on Wednesday.

"Wang Dan has been harassed by the police, so some friends of his have asked me to sign the appeal and I agreed," said Yang Xianyi, a well-known intellectual.

Wang, known for his role in the 1989 Tiananmen democracy movement crushed by the Chinese Army, filed a lawsuit in a Beijing Court Monday to try to stop the harassment which he said started last June when police began watch over his apartment and remained ever since.

On Wednesday undercover police followed him to the Beijing Library where they threatened to beat and kill him, according to an appeal to the international human rights community written by Wang later that day.

Thursday's appeal by the 22 dissidents said, "this kind of action by the central authorities to seriously threaten the safety of Wang Dan's person is an extreme and brutal case of trampling on human rights, we feel shocked and outraged."

The signature campaign is the first such action by China's embattled dissident community since last March when the "peace charter" group tried to set up an independent worker's union.

Most of those involved in that movement were detained and many were later imprisoned following the U.S. move to delink China's most-favored-nation trading status from human rights conditions in May.

Hong Kong Paper Interviews Dissident Wang Dan

HK1112081294 Hong Kong SOUTH CHINA SUNDAY
MORNING POST in English 11 Dec 94 p 19

[Report on interview with Chinese dissident Wang Dan by Queenie Wang in Beijing; date not given: "The Wang Case Against Beijing"]

[FBIS Transcribed Text] World leaders and the United Nations will soon receive pleas for help from China's most famous dissident. Wang Dan, one of the best-known student leaders from the 1989 pro-democracy demonstrations, plans to step up international pressure if his attempt to sue the Beijing police through the Chinese courts is rejected tomorrow.

But Mr Wang and his family say they now fear for their lives, after he allegedly received death threats from

public security officers while in Beijing City Library recently. Although he managed to escape through a back door while police were watching the main entrance, Mr Wang is concerned for his safety. He stays indoors, as does his mother, and his four-year-old nephew has already been moved to a safer place in Beijing.

Among the political leaders to whom Mr Wang plans to appeal are United States President Bill Clinton and former president George Bush. He also plans to appeal to the UN Human Rights Commission and other human rights groups. "Mr Bush and U.S. Secretary of State Warren Christopher said the human rights situation in China had improved, but actually this is completely not the case. China is moving in an opposite direction by tightening control over its dissidents," he said.

Mr Wang, who was released in February last year, after nearly four years in jail for his role in the Tiananmen protests in 1989, said Beijing's treatment of dissidents was a major indication of its whole stance on human rights. The Government has already explicitly told the world about its concept of human rights by what it has done to me and other dissidents," he said. "My case is not an isolated one, many dissidents in China are suffering from a similar situation." Mr Wang is prepared to be put behind bars again: "I believe there are limits to the Government's tolerance of me. Maybe they will jail me again later, so that these disputes would be over."

Mr Wang is one of the few leaders of the 1989 student protests who still remains in the spotlight. Many of his former colleagues have either faded into obscurity overseas, or diverted their attention to cashing in on the mainland's economic revolution. Unlike other dissidents, who were put on a plane by police as soon as they were released, Mr Wang has repeatedly rejected any idea of going into exile. But mainland authorities have made it as difficult as possible for him to stay: he was expelled from Beijing University's history department for his political activities and refused re-admission.

Since his release, he has been under almost continuous surveillance. He has sometimes been forced to leave Beijing or face detention by police ahead of sensitive political anniversaries or visits by high-ranking Western officials. Many see his frequent detentions as almost a barometer of official nervousness over the security situation. In September he was detained in an attempt to forestall protests during U.S. Commerce Secretary Ron Brown's visit to Beijing.

Mr Wang told of how police would even sit beside the pool and watch him swim, and he was in no doubt his phone calls were being tapped. Attempts to protest often only aggravate the situation. After a 48-hour hunger-strike at his home in June, the security forces responded by stepping up their surveillance. Even outside Beijing the surveillance continued. During a visit to Zhejiang province last month, the 25-year-old former student leader was trailed by public security officers posing as hawkers and young couples.

In Beijing, two unmarked cars without licence plates have been stationed outside his apartment since December 2, while police on bicycles and motorcycles follow less than a metre behind whenever he goes out. "They have at least six undercover policemen following me all the time, while three to four policemen occupy the messenger room on the ground floor of my apartment," he said. "The Government is ridiculous. How could any cars without licence plates travel around the city if they were not police cars?"

Despite warning since June that he would have no choice but to take legal action against the security forces, it was only in the run-up to yesterday's international Human Rights Day that Mr Wang finally put his pledge into effect. On December 5 he submitted a writ to the Beijing Intermediate Court, claiming the police's round-the-clock surveillance had severely infringed on his civil rights over the past three months. The security force responded with insults and a threat to beat him to death. Although Mr Wang managed to escape home, he is reluctant to venture out again: "It's just like the Government (has) detained me at home in a disguised form. I will not leave my home without getting a guarantee of my personal safety from the Government."

The dissident's family also fear for their safety. His mother, Wang Lingyun, recently applied for a long leave of absence from her office. And the family has already sent his four-year-old nephew to live with relatives elsewhere in Beijing. "My whole family is living in fear, no one knows what they will do if we go outdoors," Mr Wang said. "We are all afraid the police might take revenge on the whole family and my father is also considering taking a long (period of) leave," he said.

But Mr Wang remains active. He was infuriated when the office of Beijing's Supreme People's Procuratorate refused to accept his complaint about police threatening to kill him, claiming the office only dealt with "financial disputes".

Although pessimistic about whether his case will ever even make it to court, Mr Wang has already decided to appeal to the Beijing High Court if his suit is rejected by the Intermediate Court. Under mainland law, the Intermediate Court has seven days, ending tomorrow, to accept or reject his case. "This is a typical kind of political prosecution. I have committed myself to the democracy movement. How can I remain silent when I'm the victim now?" he said.

Currently studying law on a correspondence course, Mr Wang supports himself mainly by writing freelance articles for the Hong Kong and overseas press. But the heavy surveillance makes it difficult to do this, as his friends are discouraged from calling him. "To work I must have contact with society. But, if the heavy surveillance continues, I will be isolated," he said. "I know it's difficult for me to enjoy a normal life, that's the price that has to be paid if I struggle against the Government under the existing regime, but I'm trying my best to live as an ordinary person."

Homosexuals Launch Rights Movement

HK1112074094 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 11 Dec 94 p 7

[By Billy Wong Wai-Yuk]

[FBIS Transcribed Text] Under the guise of an AIDS seminar, homosexuals in China have launched a movement seeking to protect their basic rights. The secret three-day meeting was held in a motel in a Beijing suburb and attended by up to 60 homosexuals from across the country.

Academics, psychologists, doctors, writers, university students, lawyers and social workers participated in discussions which resulted in a list of 12 recommendations being drawn up to be sent to the Government. The meeting was highlighted by the screening of two banned films on the subject: "The Wedding Banquet", a Taiwanese movie in which a homosexual fakes his wedding to a girl in order to please his parents, who have no idea of his sexual preferences; and the American-made "Philadelphia", which deals with AIDS and homosexual rights.

The recommendations were formulated from two days of talks. They include calls for centres to be established where gays can meet, to hold seminars to educate people about gays and lesbians and for government-subsidised research into homosexuality. "I don't think our suggestions are critical (of the system). What we want is to improve people's understanding.

"Pushing these people into a corner is not good for them or society," said the organiser, who would only give his name as Wu.

In Chinese culture it is considered wrong not to have children. As a result many homosexuals get married to please their parents, but this has often led to divorce and single-parent family problems.

"Every day after work, I stroll in Dongdan Park (frequented by gays) to release my pressures," said Gao, 40, who has a five-year-old daughter with his estranged wife. Neither his parents nor two ex-wives know of his homosexuality. Gao said he was unsure whether he was a homosexual when he got married for the first time. The couple separated after three months.

The only son in the family, Gao got married one year later under family pressure. He and his new wife had a baby girl. "I've been separated from my wife for three years now. I regret leaving my daughter to grow up in a single-parent family, but I can't continue to cheat myself and the others," said Gao.

Henry, a Hebei University student, estimates there are about 60 locations in Beijing where homosexuals regularly meet. "They include parks, pubs, discos, newspaper stands and public toilets and public showers," he said. Henry said mainland homosexuals seldom used condoms. They only used them with foreign partners.

Gary, the organiser of last week's meeting, said they understood that people's attitudes towards gays and lesbians were not going to change overnight. "We don't expect our parents to be able to understand us."

Number of Drug Addicts Continues To Rise

HK1012082794 Hong Kong EASTERN EXPRESS in English 10 Dec 94 p 8

[By Bruce Gilley]

[FBIS Transcribed Text] China faces a new Opium War, but this time the enemy is within, says one of the mainland's pre-eminent authorities on the country's illegal drug problem. "As in the past, drugs are causing great harm to our country. But the West is no longer to blame," Su Zhiliang of the Shanghai Teachers University said. "If we are going to control the problem, we have to squarely face the reasons why the Chinese people are taking to drugs in such large numbers."

Su's words of warning come against a backdrop of dramatic growth in the number of addicts in China since economic reforms encouraged drug abuse to take off in the early 1980's. The oft-quoted official figure for the country of 250,000 addicts at the end of 1992, is thought to be hopelessly conservative. In Guangxi and Yunnan provinces alone, officially registered addicts number close to 100,000.

Rising incomes, better transport and new sources of supply have brought illegal drugs within reach of most people in the country. Su adds that "dissatisfaction with the political and social situation" was also a big factor causing addiction rates to triple in the three years after 1989.

The search for escape among the country's youth, who account for 70 percent of addicts, is also resulting in an expansion of the number of narcotics used. Traditional drugs such as opium and heroin are being supplemented by types prevalent in Western countries such as cocaine and marijuana. And contrary to popular assumptions, China's drug trade is by no means concentrated in the south. "Most of the information we have is from these areas because they are fighting the supply routes," Su, who visited drug control centres in Yunnan last summer, said. "But coastal areas as well as the northwest and northeast also have big drug problems."

In some rural counties in Shaanxi Province, one out of every 1,000 people uses drugs, many times the rates in most southern provinces, Su said. In the northern border areas, the break-up of the former Soviet Union and the opening of border trade has created new sources of supply for Chinese addicts.

Most worrying to officials, he says, is the spread of the problem to leading cities. Beijing authorities announced in June that they had arrested more than 500 drug

traffickers and addicts since 1991, while Shanghai officials last month for the first time set up an anti-narcotics squad within the Public Security Bureau and opened a drug addiction centre.

The party general-secretary, Jiang Zemin, warned last year that "the problem of drug abuse and drug trafficking is threatening the prosperity of the whole Chinese people." "This is not alarmist talk," Jiang added.

According to Su, the appearance of drug abuse at all levels and in all areas of the country has shocked government leaders. "In the 1980's, China's drug users were mainly uneducated people in rural areas," Su said. "But now we are starting to see a situation similar to the end of the Qing Dynasty, where the upper classes are involved."

While steering clear of specifics, Su says he has interviewed "military officers, senior cadres, and university professors" in drug addiction centres across China.

Recent figures show that there are 103 such centres in the country, mostly run jointly by local public security and health departments. An article in the official China Business Times last month said that a recently opened drug addiction centre in Beijing took in 130 addicts in its first six months of operation, far exceeding original estimates. Men at the centre often had "special positions" which gave them enough money to buy drugs, the report said, while others "wanted to know what it was like to be a god".

A former tax collector from the northwest who went into trade in the south, said he had come to Beijing to cure his habit because of the relative paucity of drugs there. "In the south, the moment you come out of the drug centre the pushers are following you all over town," he said.

A former mine-owner from Inner Mongolia said he had broken his arm in three places during one of the 17 times he had tried to give up drugs.

Most of the women at the centre had taken up drugs while working as call-girls in karaoke lounges in the capital, or simply because their husbands were addicts.

Officials at the centre estimated that about 40 percent of the illegal narcotics used in Beijing were heroin-based. Prices hovered between 200 to 300 renminbi (HK\$181 to HK\$272) per gram.

As with most drugs centres in China, this one claimed it could "cure" addicts in 10 days.

This same, apparently remarkable, 10-day treatment helped 20,000 addicts in Yunnan Province "get rid of their problem" last year, while nationwide some 50,000 drug addicts "received training courses to quit drugs," according to official reports.

"The rising trend of new addicts has been slowed and the country has begun to see an annual decrease in the new addict population," the vice-minister of public security, Bai Jingfu, said in June.

But Su, of Shanghai Teachers University, qualified the apparent working of miracles. "These centres are given special drugs by the state which helps patients to deal with withdrawal symptoms," he said. "But there is never any social or psychological counselling. Once they get back into society they mostly start using drugs again."

Rates of relapse averaged about 60 percent in most parts of the country, Su said, throwing into doubt the claim that China's addict population is falling. Yunnan officials admitted to a U.S. Government delegation earlier this year that the long-term relapse rate among addicts there was about 90 percent, not much better than the 93 per cent recorded in the United States.

Judging by the more numerous and bigger drug cases being reported by police across the country, demand appears to be growing rapidly. Nationwide, narcotics-related criminal cases solved by public security bureaus rose from 8,395 in 1991 to over 26,000 last year. More than 7,800 people were arrested.

Executions of groups of 20 or 30 drug traffickers at a time have become commonplace, especially in the southern provinces. A total of 227 people were executed for drug-related offences in the first half of this year, accounting for more than a third of the national total.

Perhaps under pressure from Communist Party leaders, who were aware of the shadow that the country's growing drug problem was casting on the regime, the Ministry of Public Security made the wistful pledge last year to "eliminate" drug abuse in the country within three years.

The National Commission of Narcotics Control was taken over by the Public Security Minister, Tao Siju, having formerly been headed by a deputy minister, Yu Lei. But the "war on drugs" which ensued has served mainly to uncover the extent of the problem and has made more acute the link of drugs with crime.

Yunnan Province's drugs tsar, Colonel Si Jiuyi of the provincial armed police force, said in March that drug trafficking was on the rise and authorities were finding it harder to control the organised cross-border rackets.

Drug kings in Burma, Vietnam, and Laos were increasingly luring mainland people into the trade with promises of a better life for their family. "Drug traffickers have such slogans as 'You can execute me, but my future generations will benefit' or 'I may stay in jail for a while but I will enjoy prosperity for the rest of my life,'" Si said, adding: "Criminal organisations give pensions to the families of arrested or executed drug traffickers."

Yunnan's anti-drug officers, 20 of whom were killed on duty last year, were finding the trend doubly hard to control because of under funding, Si said. "In one case, a drug-fighting unit leader had to chase a criminal by bicycle. In the end, the criminal got away by car," he explained.

Part of the solution for China lies in international cooperation, and the United States and United Nations have both woken up of late to the key role Beijing could play in stemming the Southeast Asian drugs trade. Routes often run from the "Golden Triangle" through China and then to the West, making interdiction in the mainland a concern for the source countries as well.

Robert Gelbard, the U.S. assistant secretary of state for international narcotics matters, said in February that perhaps as much as a fifth of Asian heroin production moves through China before being sent to Western markets. Beijing and Washington would step up cooperation to stem the tide, he said, "because we both recognize that this is a problem which is increasing dramatically and rapidly".

While most of the drug trafficking is aimed at international markets, there has been an observed link between international trafficking offences and domestic drug abuse in China. At the same time, waging war on traffickers will be ineffective without measures to stem domestic demand.

Su, of the Shanghai Teachers University, notes that the spread of drugs in China was different in the pre-Communist past, when local warlords produced and sold drugs in order to buy arms and expand their territory. In earlier dynasties, it was foreign merchants encouraging drug usage among the locals in order to exchange it for Chinese goods, he said. The current problem is due more to social changes boosting demand than mercenary suppliers. "We've had this problem since the Tang dynasty (AD 618-907)," he said. "I'm afraid it may be difficult to eliminate."

Beijing Ranks 1st in Social Development Survey

OW1112153394 Beijing XINHUA in English 1453
GMT 11 Dec 94

[FBIS Transcribed Text] Beijing, December 11 (XINHUA)—Beijing, China's capital, outscored all other places to rank first in the social development level in the country last year, according to a recent nationwide survey.

Beijing got a score of 82.2 points, followed by Shanghai, Tianjin, Liaoning and Guangdong.

From the sixth to the tenth were Jiangsu, Zhejiang, Shandong, Jilin and Heilongjiang, whose scores were higher than the national average of 54.3 points.

The survey was conducted by the Chinese Academy of Social Sciences. The scores were given according to 49 representative economic and social indexes in the five subsystems of social structure, educational quality of the population, economic results, living quality and social order.

The social development levels of the rest 20 provinces and autonomous regions are below national average, with the bottom five being Gansu, Qinghai, Yunnan,

Tibet and Guizhou whose scores were barely half that of Beijing. The last one, Guizhou, had a poor score of only 31.7 points.

The survey results show the big regional disparities, said Zhu Qingfang, a research fellow who led the survey team.

The top five—Beijing, Tianjin, Shanghai, Guangdong and Liaoning—got the highest scores in social structure which was described in eight major indices, for their high levels of urbanization and developed tertiary industry. Guangdong got the highest score in the proportion of export.

Beijing, Shanghai, Tianjin, Guangdong and Liaoning also got the highest scores in the educational quality of the population. Shanghai ranks first in the natural population growth rate which was a negative 0.8 per thousand, followed by Beijing, Shandong and Tianjin, whose natural growth rates of population were 3.2 per thousand, 3.7 per thousand and 4.5 per thousand, respectively.

Beijing, Tianjin and Shanghai were placed the highest in the index of the proportion of people with an at least junior middle school education, followed by three northeast China provinces and Shanxi, whose proportion of such people accounted for over 40 percent.

Shanghai got the highest score in the comprehensive economic results, followed by Beijing, Tianjin, Liaoning, Jiangsu and Guangdong. The per capital GDP was 11,222 yuan in Shanghai, 7,801 yuan in Beijing and 5,802 yuan in Tianjin, far above the national average of 2,660 yuan.

The highest living quality was scored in Beijing, Tianjin and Shanghai, followed by Zhejiang, Liaoning, Guangdong, Shandong and Jiangsu. Guangdong had the highest average per capita income, which was 4,377 yuan, followed by Shanghai, Zhejiang, Beijing and Hainan. But Shanghai had the highest average per capita net income of peasants, which was 2,727 yuan, following by Beijing, Guangdong and Zhejiang, all above 1,600 yuan. The living quality consists 16 indices.

Hebei and Shandong got the highest score in social order which includes such indices as public security, traffic accidents, fires and work injuries.

Economic & Agricultural

Li Peng Inspects Sichuan Province 7-11 Dec

OW1112135494 Beijing XINHUA Domestic Service in Chinese 1039 GMT 11 Dec 94

[By reporter Sun Benyao (1327 2609 1031)]

[FBIS Translated Text] Chengdu, 11 Dec (XINHUA)—Premier Li Peng inspected Sichuan Province from 7 to 11 December. He seriously inspected the implementation of the guidelines of the central economic work conference and emphasized the need to make concerted

efforts to ensure sustained, rapid, and healthy development of the national economy next year in accordance with established central principles and policies.

Premier Li Peng, accompanied by secretary of the Sichuan Provincial CPC Committee Xie Shijie and governor of Sichuan Province Xiao Yang, inspected pig farms, vegetable production bases, and state-owned enterprises, and then visited peasant families in Chengdu, Deyang, Yibin, Gaoxian, and Chongqing. He was briefed on the work of the province and those cities.

Li Peng repeatedly emphasized during the inspection that efforts to step up agriculture should be put above all other economic work. Sichuan is a major agricultural province, ranking as China's important grain production base and largest pig-breeding base, with annual production of pigs accounting for more than one third of the nation's total. On 8 December morning, Li Peng inspected the Yongan breeding company in Wuhou district of Chengdu city. The company produces 60,000 pigs annually, keeps 18,000 pigs in sties, and butchers 200 to 300 pigs daily; in addition, it also breeds fish. Its total annual income exceeds 50 million yuan. Li Peng was greatly pleased to know that peasants in Sichuan today have a greater enthusiasm for raising pigs and more pigs are being raised in the province. He also inspected the Dapeng vegetable base in Heping village of Wuhou District in Chengdu. The vegetable base has 1,080 mu of standardized vegetable fields, produces 5 to 6 million jin of vegetables annually, and has an annual income of more than 4 million yuan. Li Peng said during the inspection: The whole country should pay attention to and step up agriculture. Sichuan Province, with a population of more than 100 million, must solve well the problem of feeding the people. Sichuan should make great efforts to develop pig-breeding, which will not only further satisfy the nation's demand for pork, but also increase the income of the people in Sichuan. In pig-breeding, attention should be paid to developing a fairly large-scale operation and to taking the road of ecological agricultural development. At the same time, it is necessary to develop vegetable production, earnestly pay attention to filling the people's vegetable baskets, and ensure an effective supply of major agricultural and sideline products.

During the inspection, Li Peng paid great attention to familiarizing himself with commodity prices in various localities. He pointed out: Leaders at various levels must adopt resolute measures to stabilize market commodity prices, and regard efforts to stabilize market prices and curb inflation as keys to correctly handling relations among reform, development and stability.

Li Peng seriously inspected large and medium state-owned enterprises in Chengdu, Deyang and Chongqing. The situation of state-owned enterprises in Deyang aroused his great interest. Deyang is a new industrial city based on the machine-building, chemical, food, building material, light, and textile industries. The state-owned

enterprises in Deyang covered by the city budget have achieved fairly good economic efficiency for many years consecutively. Li Peng said after his inspection there: Deyang's experience has again shown that large and medium state-owned enterprises can be run well and we should have full confidence. To run state-owned enterprises well, it is necessary first to have a strong and united leading group which has a high level of current policy knowledge and reform spirit; and it is also necessary to have a good operational mechanism and to produce what the market demands. Local industries in Deyang, making use of local resources, do intensive processing of agricultural products, serve agriculture, and serve large and medium state-owned enterprises. This is also a good experience.

Li Peng also emphasized during the inspection: Sichuan is a large province and its economic development is uneven from one part to another. So attention should be paid to helping economically less-developed regions and minority nationality regions to develop economically. It is necessary to strengthen unity among nationalities.

Li Peng stressed that from Sichuan, which has a population of more than 100 million, a large number of people go to work outside the province; and so, it is necessary to actively organize and guide them and to overcome blind and disorderly movement.

On Li Peng's entourage during the inspection were responsible persons of the State Council departments concerned, including He Chunlin, Guo Shuyan, Huang Zhendong, Bao Xuding, Wang Mengkui, and Jiang Yunbao.

Li Peng Inaugurates for Aquatic Product Trade Fair
OW1112103394 Beijing XINHUA Domestic Service in Chinese 0758 GMT 10 Dec 94

[By reporter Chao Wen (6872 2429)]

[FBIS Translated Excerpt] Beijing, 10 Dec (XINHUA)—To reveal China's achievements in the fishery and aquatic product processing industry, the 1994 National Processed Aquatic Product Exhibit and Trade Fair opened in Beijing today. Premier Li Peng inscribed for the fair and State Councillor Chen Junsheng attended the opening and viewed the exhibit. [passage omitted]

Vice Premier Zou Jiahua Inspects Shanghai
OW0912142294 Beijing XINHUA Domestic Service in Chinese 1505 GMT 8 Dec 94

[By reporter Chen Maodi (7115 3029 1717)]

[FBIS Translated Text] Shanghai, 8 Dec (XINHUA)—Zou Jiahua, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, inspected work in Shanghai from 6 to 8 December. During his inspection tour, he pointed out the need to wholly implement the guidelines of the

central economic work conference, and ensure a sustained, rapid, and healthy development of the economy.

Accompanied by Huang Ju, member of the Political Bureau of the CPC Central Committee, secretary of the Shanghai Municipal CPC Committee, and mayor of Shanghai; and Xu Kuangdi, deputy secretary of the Shanghai Municipal CPC Committee and vice mayor of Shanghai, Zou Jiahua inspected the Pudong New Area and Shanghai Aviation Industry (Group) Company during his stay. Zou Jiahua also attended the opening ceremony for completion of Shanghai's first inner-ring road and heard reports on the work of the municipal party committee and government. He expressed satisfaction over Shanghai's achievements in recent years in implementing the guidelines of the 14th CPC National Congress and Comrade Deng Xiaoping's instruction on "making improvements every year and a great change in three years." He said: Shanghai has made very good and rapid development in recent years with clear and specific goals, principles, and policies. Shanghai's development is closely linked with national economic construction. Judging from the overall national situation, Shanghai's development and changes are very good. Now we must consolidate these achievements, and further develop and improve our work. In particular, we should pay attention to raising the quality and efficiency of economic work, and maintaining the good trend of healthy economic development in Shanghai.

Zou Jiahua said: The recent central economic work conference has set guiding principles, main tasks, policies, and measures. Now that the guiding principles and policies have been established, we must work hard to implement them by taking the overall situation into consideration and tackling key problems. Leading cadres at various levels must pay attention to work methods and keep up their enthusiasm with a sober mind. They must carefully analyze things, handle different things with different methods, keep long-term interests in mind and carry out current tasks.

During his inspection tour, Zou Jiahua repeatedly stressed the importance of fostering and strengthening people's sense of the market. On the morning of 6 December, when he inspected the Shanghai Airplane Manufacturing Plant and heard a report on the development of the aviation industry in Shanghai, he pointed out that, in order to establish a socialist market economic structure, it is imperative to first enhance people's awareness of the market. He said: There are two ways to develop production. One is to arrange production according to the demand of customers in the market. Another is to analyze the potential demand and design, and produce new products for selection by customers in the market. To develop the civil aviation industry, we must strengthen our awareness of the market, and study, design, and manufacture our products according to market demand. We should develop the aviation industry by relying on the market mechanism, not relying on administrative orders. We should be aware of

both domestic and international market needs, and take the initiative in competing on the international market. We should try to gain the initiative in promoting the sale of our products to open up our own way in developing China's aviation industry.

Touching on continuing to strengthen and improve macro-control and curbing inflation, Zou Jiahua pointed out that we must maintain a general balance between total demand and supply in economic work. He said: We should promptly analyze and study relations between the total demand and total supply, and be good at achieving a general and appropriate balance between the total demand and supply. He called for strengthening the administration of market and commodity prices, particularly the prices of daily necessities for the people in order to guarantee the constant improvement of people's living standards and quality.

Ye Qing, vice minister of the State Planning Commission, accompanied Vice Premier Zou Jiahua during the inspection tour.

Wu Bangguo Inspects Shanxi State-Owned Firms

OW1112124294 Beijing XINHUA Domestic Service in Chinese 0919 GMT 10 Dec 94

[By SHANXI RIBAO reporter Yang Xiaoning (2799 1420 1337) and XINHUA reporter (1728 1807 0088)]

[FBIS Translated Text] Taiyuan, 10 Dec (XINHUA)—Wu Bangguo, member of the Political Bureau and the Secretariat of the CPC Central Committee, emphasized during a recent inspection of Shanxi Province: To run large and medium state-owned enterprises well, we must concentrate our energies on developing enterprises with strength and potential, adopt measures to overcome difficulties in connection with the establishment of a modern enterprise system, and aim at improving the quality and economic efficiency of the state-owned economy.

Wu Bangguo was accompanied by secretary of the Shanxi provincial party committee Hu Fuguo and governor of Shanxi Province Sun Wensheng on the inspection from 6 to 10 December. He visited the Taiyuan Iron and Steel (Group) Corporation, the Guandi Coal Mine of the Xishan Mining Bureau, the Puhua Textile Mill, and the Jingwei Textile Machinery Plant; and conducted on-the-spot investigation and study of the operations of those large and medium state-owned enterprises. He also listened to briefings on the work of the provincial party committee and the provincial government.

Wu Bangguo fully affirmed the work done by the Shanxi provincial party committee and provincial government. He pointed out: Shanxi, as a base for the country's energy and heavy chemical industries, has made great contributions to the development of the national economy. Shanxi's economy is of a heavy structure, with large and medium state-owned enterprises constituting a

large proportion. Some difficulties are particularly conspicuous in Shanxi's economic life. However, Shanxi has made great achievements in economic construction despite those difficulties.

Wu Bangguo pointed out: The central economic work conference held not long ago has decided that the reform of state-owned enterprises will be the priority next year. We should unite our thinking and make proper arrangements for next year's enterprise reform in accordance with the guidelines of the central economic work conference. At present, some state-owned enterprises are having operating difficulties, with both old problems left over from the long past and new problems emerging during the shift from a planned economy to a market economy. We should aim at improving the entire state-owned sector and achieve a leap from mere productive operation to management of state assets. If a state-owned enterprise is operating with serious losses and its liabilities are greater than its assets, we should let it go bankrupt on the precondition that problems caused by the bankruptcy can be resolved. We should adopt economic means to relocate its assets to enterprises with strength and potential, and readjust the overall economic structure well. In order to improve the quality and economic efficiency of the entire state-owned sector, the state gives high priority to supporting the technological renovation of any high-performance enterprises which conform to the orientation of the industrial structure readjustment, operate on a fairly large scale, and have a fairly large market share.

Wu Bangguo said: In improving large and medium state-owned enterprises, we must not evade contradictions; and we should take measures to help them overcome difficulties and solve problems. We should conduct experiments on the modern enterprise system in selected enterprises, gain relevant experience, explore ways to reduce the debts and excessive social burdens of enterprises, and enhance their ability to develop in a self-sustained way and to exercise self-restraint.

During the inspection, Wu Bangguo held discussions with plant directors and managers at 10 large and medium state-owned enterprises, including the Taiyuan Heavy Machinery (Group) Corporation and the Huozhou Mining Bureau; and attentively listened to their opinions, suggestions and demands. He said: Governments at all levels should strive to create a relaxed external environment for enterprise development, but government behavior cannot replace enterprise behavior. We should train and bring up a large number of entrepreneurs who meet the requirements of the market economy and are devoted to work. In this way, large and medium state-owned enterprises will be full of promise.

Zhu Rongji Suggests Suicide for Failing Managers

HK1212070994 Hong Kong HONGKONG STANDARD in English 12 Dec 94 p 6

[By Cary Huang, China Editor]

[FBIS Transcribed Text] China's economic czar Zhu Rongji says he would like to see some state enterprise managers commit suicide for business failures, Chinese sources says.

His harsh words apparently reflected efforts to force state managers to be personally responsible for their business decisions as part of next year's radical state sector reforms.

Mr Zhu, on a different occasion, also warned that state enterprises should repay their loans from state banks, otherwise "all state banks will have to close their doors."

"(We must) recover all the loans even if it means these loss-making enterprises have to be auctioned or sold," he said. Citing the 1978 suicide of the chairman of American car-maker Chrysler, after the company suffered huge losses, Mr Zhu said managers of state enterprises would be seriously punished for their mistakes in important investment decisions.

The vice-premier's remarks were made at a crucial meeting to discuss the experimental reforms by China's state enterprises. The meeting was held in Beijing last month, according to Chinese sources.

Mr Zhu, whose tough stance on loss-making officials has aroused widespread discontent among local officials and enterprise managers, said top management should be financially accountable for their business decisions. He said a mechanism to force managers to personally pay for losses due to their wrong decisions was a crucial step in the process of building a modern enterprise system.

Citing the successful pilot experiment by a state company in Hengyang city of Hunan Province, Mr Zhu said a "compensation system for business decisions" would be introduced among state enterprises next year. He said government should not treat chronically ailing state firms like a mother treating her babies.

"We should not fill the baby's bottle whenever the baby is crying," he said, adding this method would only ruin Beijing's desperate bid to turn China's tens of thousands of loss-making state enterprises into profitable ones.

Chinese economists said Mr Zhu was apparently trying to deliver the message that Beijing was determined to push ahead with its radical program to restructure the ailing state sector despite mounting pressure to postpone the agenda.

"To introduce a bankruptcy mechanism is the only way to change the concept of 'eating from a big pot' long perceived by enterprises," Mr Zhu was quoted as saying at the meeting, which was to work out reform plans in 18 cities selected by Beijing to test the experiments.

"If there is no danger of bankruptcy, no firm would improve its business performance," Mr Zhu said.

Meanwhile, a close aide to Mr Zhu warned at the same meeting that postponing radical reforms would only

result in more loss-makers. Citing official figures, State Economic and Trade Commission Minister Wang Zhongyu said loss-makers in the state sector this year had increased by about 30 per cent over a year ago. He said China would lose a golden opportunity if the government postponed the agenda again.

Chen Jinhua Committed To Fight Inflation

HK0912101994 Hong Kong WEN WEI PO in Chinese
29 Nov 94 p A2

[Dispatch from Beijing by staff reporters Liu Yung-pi (0491 3057 4310), He Liang-liang (0149 0081 0081), and Yang Fan (2799 1581): "Chen Jinhua Analyzed Inflation in China, and Expected That It Could Be Curbed Next Year"]

[FBIS Translated Text] Beijing, 28 Nov (WEN WEI PO)—Chen Jinhua, minister of the State Planning Commission in China, pointed out when meeting reporters recently in Beijing that, China is facing a constant increase in prices, and inflation is serious. But he also stressed that he was not pessimistic about solving the inflation problem, and that China has the conditions and ability to bring the excessively high inflation rate down next year.

Chen Jinhua, as the most senior official in charge of the planning department in China, has thorough knowledge of the overall situation and trends of the current economy in China, as well as China's economic achievements and problems. He said that three main problems exist in China's economy, first, inflation; second, agriculture; and third, some state enterprises have poor economic returns. Chen Jinhua pointed out that since this year, the whole country has been witnessing a two-digit inflation rate, and that from January to October, the general level of retail prices in the whole country increased by 21.3 percent over the same period of last year.

According to Chen Jinhua's analysis, there are three main contributory factors to the high inflation rate: First, structural adjustment of prices, and since this year, the purchasing price of crude oil, grain, and cotton have all gone up, to reflect values, and this is an unavoidable and inevitable way of market economy; second, in recent years, investment in fixed assets and growth of the consumption fund have increased too rapidly, and the issuance of more banknotes have led to the increase in needs and costs, thus bringing about inflation; third, in recent years, some localities have neglected agriculture, at present, 60 percent of the influence on the increase in the general level of prices come from the increase in food prices, including meat, grain, poultry, eggs, and vegetables.

Chen Jinhua stressed that China does not face a shortage of grain or a shortage of consumer goods at this time, and the Chinese Government attaches great importance to curbing inflation, therefore China does not have the

runaway inflation resembling that of Latin America in the 1970's, or that of Russia in recent years. Furthermore, the central authorities will spare no effort to control inflation next year. He disclosed that next year, the key task of macro regulation and control by the central authorities will be checking inflation, and more forceful measures in many areas will be taken: Prevent social demand from growing too rapidly; vigorously strengthen agriculture and grasp the "shopping basket" project in cities; deepen the reform of the circulation system; expedite the building of market regulations; and perfect price supervision and management.

State Planning Commission Head on Macrocontrol

HK1212144194 Hong Kong WEN WEI PO in Chinese
29 Nov 94 p a2

[By staff reporters Liu Yung-pi (0491 3057 4310), He Liang-liang (0149 0081 0081), and Yang Fan (2799 1581): "Talking Freely About Macroeconomic Regulation and Control at the End of the Year—Interview With Cheng Jinhua, Minister of the State Planning Commission"]

[FBIS Translated Text] As the end of the year is drawing near, Chen Jinhua, minister in charge of the State Planning Commission which is an organ of the State Council for the comprehensive management of national economic and social development, was interviewed by WEN WEI PO for nearly three hours on the eve of the National Planning Work Conference. For the first time, he openly and realistically assessed the positive results of macroeconomic regulation and control during the past year and more. Chen Jinhua explicitly pointed out that the macrocontrol was timely, appropriate, and effective. He did not deny the situation regarding inflation and said that the Chinese Government was determined to curb it.

The interview took the form of casual and free talk. Chen Jinhua's warm, sincere, and down-to-earth manner deeply impressed these reporters.

"We Cannot Do Without Macroeconomic Regulation and Control"

Being minister of the State Planning Commission, under the leadership of the CPC Central Committee and the State Council, Chen Jinhua and 10 vice ministers made joint efforts to organize and carry out, with the participation of other relevant departments, the Chinese Government's major measures for strengthening and improving macroeconomic regulation and control, which attracted worldwide attention.

He said: In general, we have firmly adhered to the orientation of building a socialist market economy. However, in such a large country as ours, without macroeconomic regulation and control, no one would take care of the long-term and across-the-board national interests; real estate projects would be launched blindly

with large areas of farm land being used to build houses or wasted; tall office buildings, luxurious villas, and golf courses would be built everywhere. This is not a vista we want to see. We cannot allow disorderly financial conditions and cannot let capital investment and the consumption funds increase too fast. How can we sit idly by while seeing that such prominent contradictions and problems exist? In addition to the structural adjustment of prices, a fundamental reason for the price increases is the sharp increase in demand and costs. We must not allow such deviations to go unchecked. Macroeconomic regulation and control is precisely aimed at effectively guaranteeing the sustained, rapid, and healthy development of the Chinese economy.

"I Do Not Practice Economic Romanticism"

When asked whether or not China is experiencing the third round of economic fluctuations since the beginning of reform and opening and what China will do to reduce such fluctuations and narrow their scope, Chen Jinhua said: Some countries slowed down the speed of economic development in order to keep prices at a comparatively low level; however, China must grasp the current favorable opportunity to deepen reforms, expand opening, and promote development in order to realize the objective of raising the living standards of the people to the level of being comparatively well-off or to the level of an intermediately developed country as called for by Comrade Deng Xiaoping.

In 1988 and 1989 there were price increases and prices increased by 80 percent. Panic purchases also happened in the market. After that, the economy became dull for a period. Henceforth, we will be able to avoid violent ups and downs in our economy. Facts show that after drawing a lesson from our work experience, things are improving. After Deng Xiaoping made the instructions during his inspection in the south, the economic growth rate in 1992 was 13.4 percent, in 1993 it was 13 percent, and the growth rate this year is about 11 percent. In 1993 and 1994, we dispatched cadres to various provinces to inspect the conditions of investment in fixed assets and adopted effective measures to bring such investment under control. All this achieved positive results.

When talking about the speed of economic growth in the future, Chen Jinhua said: We will try hard to keep the growth rate at an appropriate level, say between 8 and 9 percent. We are down-to-earth and will not practice economic romanticism. We are realistic when emancipating our minds. If China can keep its economic growth rate at this level over a long time, that will be a great success. I am optimistic about that.

Curbing Inflation Will Be a Priority Task Next Year

Chen Jinhua was fully aware of the seriousness of inflation in the country and admitted that prices remained at a high level and continued to increase at a high rate.

He also knew the causes of inflation well and pointed out: In addition to the structural adjustments of the prices and some inevitable costs of reform, the price increases were mainly caused by the excessive increase in investment in fixed assets and in the consumption funds and the price level was drawn up by both the increasing demand and the growing costs.

What, then, is the current condition of inflation in China and what will be the trend in the future? Chen Jinhua made objective and realistic analysis: The market in China can be divided into three parts. In the food market, prices remain very high and demand is strong; in the clothing market, supply and demand are basically balanced; and in the market for things for daily use, commodities are mainly oversupplied. He said: The Chinese Government is a highly responsible government which takes good care of the people's interests. The macroeconomic control played a certain role in curbing inflation; otherwise, prices might have increased even faster. We are resolved to make great efforts to bring inflation under control, so the situation of vicious inflation appearing in some developing countries will not appear in China.

He added: Controlling inflation is the priority task at present and in the coming year. Investment in fixed assets will increase somewhat but will be brought under strict control.

Chen Jinhua has previously held such posts as deputy secretary of the Shanghai Municipal CPC Committee, vice mayor of Shanghai, general manager of the China Petrochemical Industrial Corporation, and minister in charge of the State Commission for Economic Restructuring. He is a government official with rich experience in economic management at different levels. He did not study in a foreign country. His learning and career have all been rooted in the solid land of China.

He said that 1995 will be a year of critical importance for China. In order to lay a good foundation and create a favorable environment for the five-year plan which straddles the two centuries and for the beginning of the Ninth Five-Year Plan, we must make efforts to lower the price levels.

Commentary Urges Control Over Demand, Inflation

OW1112131594 Beijing XINHUA Domestic Service in Chinese 2117 GMT 8 Dec 94

["Weekend Economic Commentary" by XINHUA reporter Zhang Jinsheng (1728 6930 0524): "Be On Guard Against Expanding Demand"]

[FBIS Translated Text] Beijing, 9 Dec (XINHUA)— Since the beginning of the third quarter, there has been a marked change in the supply and demand situation in China. A fairly strong expansion momentum in general demand has emerged. Paying close attention to this tendency, authoritative people from the economic circles

have suggested that overall control over demand be tightened to maintain the basic balance between general supply and demand.

An authoritative analysis shows that in the first three quarters of this year, general supply rose 36.5 percent while general demand went up by 40.3 percent, an all-time record high for both. Judging from the balance between supply and demand, demand surpassed supply by 3.8 percent. This is a deviation from the normal differential rate of supply and demand. In short, the normal differential rate of supply and demand for the first three quarters of this year should be somewhere around zero. This shows that the general demand's expansion momentum is increasing at a faster rate than that of supply.

In specifically analyzing the general demand's expansion momentum, it is first necessary to face up to the fact that the differential rate of supply and demand is a bit excessive. Although the differential rate shows that demand exceeds supply by only 3.8 percent, this rate emerged in a situation in which price increases were excessive. Therefore, attention should be paid to this matter. If we examine general demand on the basis of the ratio between general demand and general supply, after allowing for price increases, then general demand in the first three quarters of this year was higher than general supply by 708.8 billion yuan, as based on the previous year's prices. Demand exceeded supply by 26.8 percent, the highest differential point since 1989. Judging by the normal price increase standard, the general demand's current expansion is serious.

High investment rates is another important factor affecting the expansion of demand. Since the beginning of this year, demand for investment in fixed assets across the country has been maintained at a rate of around 35 percent. As compared with 25 percent, the normal investment growth rate in fixed assets, current demand for investment is still too high. In a sense, investment is the strongest motive force for increasing general demand. Meanwhile, there was a marked increase in the circulation of funds [velocity of money]. As compared with the same period last year, the first three quarters of this year witnessed a 47.2 percent growth in circulating funds. Like pouring oil over a flame, this has helped to expand demand.

The monthly increase in demand for consumption was another important factor attributing to the expansion of demand. Since the beginning of this year, people working in various units have enjoyed wage increases. Moreover, affected by wage-push inflation, various "gray incomes" have gradually increased. As a result, people's consumption has grown rapidly. In the first three quarters of this year, the money that people used for purchasing state treasury bonds, easily available funds, and savings reached 572.3 billion yuan, an increase of 42 percent over the same period last year. Wage expenditures paid through banks reached 234.2 billion yuan, an increase of

41.3 percent. The rapid growth in people's incomes provided an environment for consumption. In the first three quarters of this year, total retail sales of consumer goods increased by 28.3 percent over the same period last year. The third quarter witnessed the highest jump, with an increase of 29.9 percent, 34 percent, and 36.4 percent for each respective month.

The imbalance between supply and demand will endanger the national economy's healthy operation. In view of the general demand's current expansion, authoritative people from the economic circles have suggested that it is necessary to adopt effective retrenchment measures with regard to macroeconomic policy and, in accordance with the central authorities' plan, take resolute measures to control the increase in funds used for consumption. They also have expressed their belief that it is necessary to strengthen the control over fixed assets investment. In the fourth quarter of this year, efforts should be made to resist the pressure of easy money and give first priority to the control of inflation. In addition, during the year-end period, it is necessary to strictly control financial expenditures, focusing on the control of operation expenses and administrative expenses. Special attention should be paid to curbing the ill practices of year-end spending as well as extravagance and waste.

Hu Jintao Addresses Trade Union Meeting

OW1212062094 Beijing XINHUA Domestic Service in Chinese 0916 GMT 11 Dec 94

[By RENMIN RIBAO reporter Pan Yue (3382 6460) and XINHUA reporter Chu Baoping (2806 0202 1627)]

[FBIS Translated Text] Beijing, 11 Dec (XINHUA)—Speaking at the Second Session of the 12th Executive Committee of the All-China Federation of Trade Unions [ACFTU] here today, Hu Jintao, member of the CPC Central Committee Political Bureau Standing Committee and the CPC Central Committee Secretariat, noted: The new situation and new tasks have set new and even stricter demands on the work of trade unions, whose social responsibility has increased and whose social status has become more important. We must earnestly study new circumstances, resolve new problems, and explore new ways for trade unions' work during the course of promoting socialist market economic development.

Hu Jintao said: Trade union organizations at all levels should earnestly implement the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee, set priorities in their work in strict accordance with the general requirements for work throughout the party and country, accomplish their tasks, and unite and rally workers and staff members to make even more contributions to reform, development, and stability.

Hu Jintao emphasized: Relying wholeheartedly on the working class is a fundamental principle that our party

and country have upheld consistently. This is determined by our party and country's character, the working class' historical status and role, and fundamental socialist tasks. The working class is the embodiment of the relationship between advanced productive forces and production, as well as the main force driving reform and construction. To establish a socialist market economic system, and to liberate and develop productive forces, we must uphold the principle of relying wholeheartedly on the working class, never showing the slightest ambiguity and vacillation under all circumstances. In keeping with the developments in the situation, we should explore effective means and specific ways—politically, economically, and legally—to guarantee that the working class will achieve its status as the master of its country. We should work persistently to ensure that the principle of relying wholeheartedly on the working class will be implemented further. We should earnestly study the profound changes that have occurred in labor relations under socialist market economic conditions, and capitalize on the opportunity arising from the implementation of the "Labor Law" to make trade unions' work an even greater success.

Hu Jintao noted: The Fourth Plenary Session of the 14th CPC Central Committee made general plans for party building, thus creating new opportunities for strengthening trade unions. The plenary session's decision to strengthen trade unions is also an important guide. Trade union organizations at all levels should seize the opportunity and take effective measures to earnestly strengthen themselves and build Chinese trade unions into CPC-led mass organizations for the working class, armed with the theory of building socialism with Chinese characteristics; capable of leading workers and staff members to courageously fulfill the party's tasks; ideologically, politically, and organizationally strong; and amply trusted by workers and staff members.

Hu Jintao urged trade unions to give priority to ideological construction, arm trade union cadres with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, and educate workers and staff members on the theory. We should take the construction of grass-roots trade union organizations, especially the formation of trade unions in new economic entities, as the focus of our overall drive for establishing trade unions, devoting major and earnest efforts to this task. We should expedite the pace of forming trade unions in foreign-funded enterprises in accordance with the law, promptly establish trade unions in fairly large private enterprises, and gradually expand our experiment with forming trade unions in village and town enterprises. We should bolster the ranks of trade union cadres, cultivating and grooming large numbers of such cadres who are politically reliable, who maintain close ties with workers and staff members, and who meet the requirements of the new situation. We should improve the workstyle of trade union organs, especially that of leading bodies. We should foster closer ties with workers and staff members, try to understand and reflect their

views and requests, care for their well-being, speak out and act on their behalf, and help them solve problems so that they will truly feel that trade unions are their own trusted organizations.

Wei Jianxing, member of the CPC Central Committee Political Bureau and ACFTU president, chaired today's meeting. Zhang Dinghua, ACFTU vice president and first secretary of the ACFTU Secretariat, attended the meeting.

Wei Jianxing Urges Unions To Implement Labor Law

OW1212163594 Beijing XINHUA in English 1619 GMT 12 Dec 94

[FBIS Transcribed Text] Beijing, December 12 (XINHUA)—A top Chinese official urged the trade unions in China to implement the Labor Law and strengthen reforms.

Wei Jianxing, member of the Political Bureau of the Central Committee of the Communist Party of China and Chairman of the All-China Federation of Trade Unions, made the remarks here today at the closing ceremony of the second meeting of the 12th Executive Committee of the 12th All-China Federation of Trade Unions.

Wei said that the trade unions should safeguard workers' legal interests and develop and direct their initiative.

On behalf of the workers, the trade unions should sign contracts with businesses so as to protect the workers' interests. Trade unions in foreign-funded enterprises and in modern enterprises should take the lead in implementing the new contract law, he said.

Wei took special note of the fact that problems threatening the lives of the workers will no longer be tolerated.

Zou Jiahua Addresses National Labor Conference

OW1112141594 Beijing Central People's Radio Network in Mandarin 1030 GMT 11 Dec 94

[By station reporter (Liu Haosan); from the "National Hookup" program]

[FBIS Translated Text] On 11 December, at a national labor work conference, Zou Jiahua, State Council vice premier, said emphatically: Next year's labor affairs will be centered around such major issues as deepening the reform of state-owned enterprises, quickening the reform of the social security system including old-age pension and unemployment insurance schemes, strengthening overall control of wages, controlling the rapid growth of consumer capital, and gradually solving the problem of unequal social distribution. Zou Jiahua said: To improve enterprises' efficiency, we must manage well enterprises' surplus workers and help workers of bankrupt enterprises. We must earnestly look

after the wellbeing of poor and retired workers and stabilize the employment condition and the contingent of workers.

The national labor work conference put forward: Next year's labor affairs will focus on promoting the second-time employment project, continuing to organize and guide the rural labor force, increasing job opportunities, offering service for job hunters, controlling the urban jobless rate at about three percent, extensively carrying out the labor contract system, formulating laws concerning labor relations, strengthening labor supervision and the role of mediation organs in labor disputes, protecting the legitimate rights and interests of workers and employing units, comprehensively accelerating the development of the vocational skills training system, making efforts to improve labor safety and health, carrying out international exchanges, and upgrading the level of international cooperation.

While reviewing this year's labor affairs, Labor Minister Li Boyong said: At present, China's urban areas are faced with increased employment pressure, some unstable factors have emerged in labor relations, effective measures to ensure wage distribution and control are lacking, and reform of the social insurance system is comparably slow. These problems have great direct impact on the state's reform, development and stability. Labor departments at all levels must pay close attention to these problems and formulate feasible countermeasures and take action to solve problems and accomplish tasks.

Urges Reforming Social Security

OW1212160394 Beijing XINHUA in English 1526
GMT 12 Dec 94

[FBIS Transcribed Text] Beijing, December 12 (XINHUA)—Next year's labor work should concentrate on social security reforms with a focus on old-age pension and unemployment insurance with the strengthening of reforms in state-run enterprises, a senior Chinese official said.

Addressing a recent labor conference here, Vice-Premier Zou Jiahua said labor work constitutes an important component part of national economic and social development.

With the introduction of further enterprise reforms in the coming year, he said that China should strengthen controls of wage totals and curb the rapid increase in consuming.

Efforts must be made to deal with the unfair distribution of wealth, he said. The Vice-Premier also urged local governments to make painstaking efforts to raise the efficiency in enterprises while trying to reallocate surplus labor or workers from bankrupt businesses.

Zou called on the locales to ensure a basic standard of living for workers in those enterprises which are crippled

by debt or who are retired. Concern for safety on the job and hygiene must also be intensified to minimize disasters.

The Labor Law will come into effect on the first day of the coming year, he said, adding that this will serve to protect the lawful rights of workers and enhance the reforms in labor system.

According to Li Boyong, Minister of Labor, about seven million people have found jobs this year in urban China and the unemployment rate is expected to be around 2.8 percent.

By now, he said, 29 Chinese provinces, municipalities and autonomous regions are experimenting with the establishment of a social security system and pension insurance paid for by individual workers. Over 6,000 enterprises have established supplementary old-age pension insurance and Hainan Province has had fruitful experience in this regard.

Meanwhile, he said, Shanghai, Shenzhen, and Guangdong have also successfully experimented with integrating overall social insurance into a personal account system.

To bring down the unemployment rate and protect the rights of employees, Li said, plans have been made by 26 Chinese provinces and municipalities. Of them, 25 have extended unemployment insurance to all the employees in urban areas, in accordance with regulations of the State Council on unemployment insurance in state-owned enterprises.

However, Li also noted that some enterprises are suffering from difficulties which have resulted in default. Other enterprises cannot pay the retired workers on time and some private-owned enterprises and foreign-funded enterprises have infringed on the rights of employees, bringing about conflicts between labor and management.

Labor Minister on Tightening Control of Payroll

OW1112141194 Beijing XINHUA in English 1349
GMT 11 Dec 94

[FBIS Transcribed Text] Beijing, December 11 (XINHUA)—China is to take more rigorous measures to control the country's payroll as a part of the efforts to curb the soaring inflation, said Chinese Labour Minister Li Boyong.

He told a national labour conference that the overall control over the payroll constitute an important aspect of the macroeconomic control by the central government and the aim is to bring the growth in wage income into line with economic returns and labour productivity.

Over the past year, the central government has taken a series of measures to control the distribution of wage income, including determining the wage scales through collective consultation and setting of guiding lines for

wage increases. These have helped halt the practice of recklessly increasing wages to the ignorance of economic results.

The state also launched a number of nationwide checks aiming at controlling the rapidly growing consumption funds, Li said.

Li acknowledged that the staggering wage growth due to the lack of effective macro-control means and enterprises' awareness of reducing labour costs is whetting the upsurge of inflation, which stood at 27.7 percent by the end of October.

In view of these facts, Li suggested that strong steps should be taken with the emphasis laid on controlling wage levels in commercial outlets and financial institutions.

He also revealed that the state will not allow loss-making enterprises to pay out bonuses or raise the basic wages of their employees without proper authorization.

In addition, China will introduce the minimum wage system nationwide next year, adding that enterprises which operate normally but suffer temporary shortages of funds will receive bank loans and discounts by local governments in order to ensure that these enterprises implement the minimum wage system.

Views Social Insurance Reform

OW1112140994 Beijing XINHUA in English 1339
GMT 11 Dec 94

[FBIS Transcribed Text] Beijing, December 11 (XINHUA)—China is to deepen its reform of the social insurance system in order to better adapt to the new market economy, said Chinese Labour Minister Li Boyong.

Li told a labor conference here today that the social insurance reform is among the most important tasks of the state next year.

To date, unemployment insurance system has been established in 26 of the country's provinces and municipalities, of which 25 have expanded the insurance coverage to all the urban or township enterprise employees.

According to statistics, the state has granted unemployment relief for 15 million jobless workers, equal to the total of the previous seven years, and helped 8 million of them get re-employed.

The old age insurance has also been inaugurated across the country. The old age insurance includes basic old age insurance, enterprise supplementary old age insurance and individual savings old age insurance.

The basic old age insurance will be born jointly by enterprises and their employees instead of by enterprises alone. Such system has been established in 29 of the country's provinces, municipalities and autonomous

regions and over 6,000 enterprises have established the supplementary old age insurance system, covering more than 2 million workers.

Li added that problems in social insurance system are yet to be settled. They include limited coverage, difficulties in collecting premiums, devaluation of the insurance funds and frequent diversions of the funds.

To correct the problems, Li urged greater efforts to tighten the management and supervision of the insurance funds and step up the pace of establish the provincial and central level regulatory funds and explore ways to maintain the value of the insurance funds. He also urged efforts to improve the services in social insurance.

Beijing To Rein In Jobless Rate at 3% in 1995

OW1112130694 Beijing XINHUA in English 1245
GMT 11 Dec 94

[FBIS Transcribed Text] Beijing, December 11 (XINHUA)—China's Minister of Labor Li Boyong said here today that the government has set to rein in its rising unemployment rate in the urban areas and tighten it at around three percent next year.

The official statistics show that the national jobless rate in the cities has climbed 0.1 percent from the end of last year, up to 2.7 for the first nine months this year.

"The figure could be harnessed at 2.8 percent by the end of 1994," the minister predicted at the national labor conference which opened today.

The main factor for this trend lies in the redundant workers in the state-owned enterprises who will have to flow to the job market when their employers are scheduled to be invigorated under government reform schemes for next year, he explained.

In addition to 10 million new work forces to emerge in the job market, there are another 10 million redundant workers in state enterprises waiting to be properly disposed of, the minister said. China's has 160 million urban workers.

To cut down the rising jobless rate, the minister said legal and economic levers, or even administrative measures if necessary, will be deployed to encourage enterprises or other social channels to create more job opportunities, as well as help the jobless to set up their own businesses.

The re-employment schemes already proven successful in some 30 pilot cities are set to be operated on the national scale, which provides that the government offers job training programs and other reemployment services, and the redundant workers from state-owned enterprises who create job opportunities of their own will be subsidized with a considerable amount of funds for their new venture.

The jobless will also receive job insurance fund as the new insurance system to spread nationwide, the minister said.

Li Boyong noted that another tough task his ministry faces next year is how to organize the orderly migration of rural surplus laborers, which register at 150 million.

The inter-provincial flow of these laborers is projected to be at 30 million, he told the work conference.

He said a unified national job service system will be founded to link both the rural and urban areas, and to intensify regional cooperation on labor markets.

A new job certificate system will also be imposed for the migrant workers in the prosperous regions and some big cities, to strengthen control over the labor flow, the minister disclosed.

"However, the final solution to the unemployment problem relies on the development of the economy," he stressed.

The collective and private sectors should be encouraged to boom and labor service enterprises should be better managed to take in more, he said, adding that the township enterprises and agricultural service trade should also be developed in the poor areas to offer jobs to people of their own.

China To Increase Coal Production, Electricity

HK1212032294 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 11-17 Nov 94 p 8

[By Wu Yunhe: "Coal Will Feed Huge Demand for Power"]

[FBIS Transcribed Text] China is hammering out a decade-long programme to intensify both its coal production and electricity generation.

To cope with spiralling domestic demand, the country is hoping to generate between 1,350-1,600 billion kilowatt-hours in the year 2000. Last year, China produced 820 billion kilowatt-hours of electricity, according to the State Planning Commission.

As a major raw material for power generation, annual coal production should climb to at least 1.5 billion tons by the turn of the century—an increase of 359 million tons from output registered in 1993, the commission said.

The government is calling for newly-installed power generating capacity to increase by 15 million kilowatts annually during the Ninth Five-Year Plan period (1996-2000).

And the yearly increase in the capacity of the country's newly-installed power generating units is expected to be 18 million kilowatts during the 2000-2005 period, the commission noted.

Development of coal production is a fundamental part of the country's long-term energy strategy, commission officials noted.

They added that eastern and central areas should maintain current levels of coal production, and the western part should considerably increase production of the bulky commodity in the years to come.

But southern coastal areas however, should be encouraged to import coal from abroad to feed hyper-expanding demand and shortages in local supply.

China is now taking steps to streamline the nation's coal mines and make them adjust to the new market order.

"After two years of struggle, China's coal industry has reduced its deficits and begun to adjust itself to the market economy," said Wang Senhao Minister of Coal Industry.

In 1993, the ministry set a goal to turn around the industry from an across-the-board loss-making to a profit-making one within three years.

Together with staff cuts and diversified business, the mines have utilized more scientific practices to raise efficiency and capacity.

The ministry also hopes to lure more foreign investment to the sector, which it hopes to do by drafting a guidebook for foreign investors in the coal industry and holding an international bidding fair soon. It is also delegating export rights to enterprises in an attempt to expand coal exports.

State coal mines should continue to speed the process of shedding unnecessary employees and develop service industries and other businesses to provide alternative work for surplus hands, the ministry said.

Intellectual Property Protection Circular Reissued

OW1012131894 Beijing XINHUA Domestic Service in Chinese 1006 GMT 9 Dec 94

[FBIS Translated Text] Beijing, 9 Dec (XINHUA)—The General Administration of Customs recently reissued an urgent circular calling on customs offices in various places to further adopt effective measures to strictly check and handle the illegal activities of intellectual property rights violations at entry and exit ports. This was another important measure taken by the General Administration of Customs since the administration issued an announcement on protecting intellectual property rights and stopping the import and export of commodities that violate intellectual property rights on 15 September.

The "circular" calls on customs offices in various places to further strengthen their efforts to check and handle cases involving illegal compact audio disks and laser video disks and to destroy pirated compact audio disks and laser video disks confiscated by customs offices in

accordance with the law. It calls on customs offices in various places to investigate the import and export of commodities that infringe on intellectual property rights and promptly report the situation to departments in charge of the protection of intellectual property rights to further investigate and handle such activities by concerned departments. If customs offices cannot confiscate illegal commodities according to existing customs laws and regulations when checking intellectual property rights violation cases, they should coordinate with departments in charge of protecting intellectual property rights to confiscate those products for disposal.

The "circular" also calls on various customs offices to establish a necessary work system to protect intellectual property rights, assign special units and personnel to handle intellectual property rights violation cases, and check commodities in coordination with departments in charge of protecting intellectual property rights. It says customs offices should stop processing and clearing the import and export of compact audio disks and laser video disks and raw materials declared by enterprises that departments in charge of protecting intellectual property rights have ordered them to stop the reproduction of these products.

It was learned that since the enforcement of the "announcement" on 15 September, customs in Jiulong [Kowloon], Qingdao, Shantou, and Huangpu have discovered several intellectual property rights violation cases while checking the import and export of commodities. On 17 November, the Huangpu Customs Office discovered a certain shoe manufacturing plant using the Italian "Old Man's Head" trade mark for its men's shoes while checking the export commodity. The consignor could not provide a legal documentation for use of the trade mark. Accordingly, the goods were rejected by the customs office in accordance with the regulations.

Columnist on Ending Property Rights Transfers

HK1212051294 Hong Kong SOUTH CHINA MORNING POST in English 12 Dec 94 p 3

[*"View Point"* column by Li Yining]

[FBIS Transcribed Text] In recent years, transfer of property rights in China has led to state economic losses. Some state-invested bodies turned over fixed assets such as factory buildings, machinery and even entire enterprises, to non-state-invested bodies.

In some cases, the non-state invested bodies did not honour the mutually agreed upon payment schedule. Payments were delayed or did not come at all, causing the state-invested bodies to incur losses.

According to regulations governing property rights transfers, both parties should be sincere and ethical. But sometimes non-state invested bodies use deceitful methods to lay their hands on the fixed assets, so the state-owned body gets less money than it deserves.

These situations lead some people to conclude that transfer of property rights too often results in state economic losses. It is better, they say, to prevent state-invested bodies from transferring property rights and forbid groups from putting public assets on the market.

How should these problems be resolved? People should realise that losses caused by one party not following the rules are not restricted to property rights transfers. Foreign parties have been known to violate the payment clauses in their contracts when doing business with Chinese. Or sometimes the foreign parties cheated the Chinese out of money. Yet in spite of these instances, how can we deny the importance of foreign trade? Can China really refuse to trade with the outside world? It would be ridiculous if China took such a stance. If losses do occur, the Chinese party should learn from their experiences and make use of the law to collect indemnities.

Returning to the problem of property rights transfers, suppose a state-invested body incurs a loss because a non-state invested body violated the regulations. Then here again the state-invested body should learn from its experience and take steps to avoid more losses in the future. In addition, it should take legal recourse to seek compensation. Calling for an end to property rights transfers merely because one has suffered losses is absurd.

Losses during property rights transfers may also occur because the price structure is unfair or the preparatory work is faulty. For example, assets appraisals and accounting work are critical to the price structure of the property rights transfer. If, for example, falsified documents are supplied in the asset appraisal, then state-invested bodies will face losses. If the accountants and appraisers who undertake the work act irresponsibly or make significant omissions in their reports and so cause the state-invested body to lose money, then punishment should be handed out after due process of law.

I also should point out that non-state-invested bodies as well as state-invested ones sometimes incur losses during the transfer of property rights.

If a state-invested body which suffers a loss decides that property rights transfers should be abolished, wouldn't a non-state invested body facing the same situation decide on the same solution? According to this logic, as long as one party incurs a loss, someone is going to call for the abolishment of the transfers. This is paramount to giving up eating for fear of choking. There is just one correct way to handle problems arising from the transfer of property rights: Gradually develop, perfect and standardise the means for transferring property rights.

New Asset Evaluations To Take Effect in 1995

HK1212030894 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 11-17 Dec 94 p 3

[By Liu Weiling: "Assets Evaluation Addressed"]

[FBIS Transcribed Text] China is revising its regulation of the asset evaluation industry to strengthen management of State assets.

The new regulation, expected to come into effect some time next year, will confirm State assets administrative departments as the authorities to govern the industry, officials with the State Administration of State Property said.

And the new regulation will be applicable not only to State assets, but also to the appraisal of assets in joint-stock companies, Sino-foreign joint ventures, limited liability companies collectively owned and privately owned enterprises, and solely foreign-funded enterprises.

China published its first regulation on asset evaluation in 1991, applying only to State assets.

Meanwhile, asset evaluators will be asked to register with State asset administrations. People in this field will have to pass a national test before they are allowed to conduct evaluations.

Zhang Youcai, director of the State Administration for State Property, reiterated last week that local governments must stop interference in asset evaluation.

Administrative interference from local authorities represents a big hurdle to the development of the new industry.

Some local governments even refuse to permit the evaluation of State assets that are to be auctioned or transferred or ask for a low evaluation.

This has led to a big drain of State assets in the past few years, Zhang said.

A total of 1620 organizations have been authorized by the government to conduct asset evaluations. More than 26,000 people are engaged in the young industry.

By the end of last year, State asset administrations at all levels had approved 39,100 asset evaluation projects involving 751.3 billion yuan (\$88.4 billion) worth of assets.

Beijing To Tighten Appraisal of Foreign Assets

OW1212040394 Beijing XINHUA in English 0343
GMT 12 Dec 94

[FBIS Transcribed Text] Beijing, December 12 (XINHUA)—Beijing has worked out detailed measures for carrying out appraisal of assets from foreign nationals, and has put them into effect.

Local officials said that the move was taken in accordance with the "Regulations on Management and Evaluation of Investment Assets of Foreign Investors" jointly issued by the State Administration for the Inspection of Import and Export Commodities and the Ministry of Finance.

Beijing began the evaluation of foreign investment assets in early 1993. Up to now, departments concerned in Beijing have evaluated 133 projects concerning foreign investment and reduced quotations of prices from foreign investors by 8.094 million U.S. dollars.

The evaluation work has helped enhance awareness among Chinese enterprises about protecting their own benefits according to law and control the trend of foreign investors either overvaluing their assets or presenting out-moded items of equipment as quality ones, said the officials.

The measures rule that all foreign-funded enterprises must consult the Beijing Municipal Bureau of Commodity Inspection or other relevant departments on prices concerning foreign investment assets before the signing of contracts for the establishment of joint ventures and include legal provisions for price appraisal in their contracts or agreements.

The regulations also demand that foreign-funded enterprises apply for appraisal of assets within a week after investment assets arrive at their destinations and offer a corresponding list of assets.

State Expands Sectors Open To Foreign Investors

HK1212031894 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 11-17 Dec 94 p 1

[By Li Yan: "Door To Retail Sales Opens Wide"]

[FBIS Transcribed Text] China is opening new horizons in commercial sectors—allowing foreign investment into long State-monopolized wholesale business while designating more cities for joint-venture retail stores.

Foreign investors will be given the green light to do wholesale businesses in general merchandise, farm and side-line products except for grain cotton and edible oil, and producing materials aside from those controlled by the State, such as rolled steel and chemical fertilizers, according to a senior official with the Ministry of Internal Trade.

Meanwhile, China will designate more provincial capitals and tourist cities for joint-venture retail stores, Wang Minghong, director-general of the ministry's International Department, told Business Weekly.

He declined to name the cities or say when such stores will be set up.

Wang noted the central government encourages more Taiwan investors to set up retail and wholesale joint ventures with mainland partners.

Retail or department-store joint ventures can import commodities worth as much as 30 per cent annual business volume from foreign markets, as well as export commodities abroad.

Such a privilege is not currently enjoyed by the nation's own department stores.

That means the joint ventures may roll over some Chinese stores by introducing the world's most popular and most-demanded goods, all the while accelerating the integration of the Chinese market with the world's.

Overseas partners in the joint ventures—most of them famous companies in their own markets—can collect a "technology transfer fee" to compensate for their valuable role.

Wang said that some foreign partners want to collect 1.5 per cent of the annual business volume as the fee which he regards as too high. But he pointed to the Dalian Department Store, a Sino-Japanese joint venture in northeast China's Liaoning Province, as an example for other jointly-owned retail stores.

Both sides in the venture together collect 0.5 per cent of the annual business volume, which they divide according to the stake each side has in the company.

According to Wang, most existing overseas-based department stores have a co-operative term of 30 years, with the exception of 17 and 50 years in Dalian and Shanghai respectively.

Such department stores enjoy the same privileges China confers to all overseas-funded joint ventures, including three or five-year tax reduction or exemption, according to their co-operative terms.

Wang called the results of such joint-venture stores "successful."

Beijing's Lufthansa Youyi Shopping City, for example, enjoys business volume of 2 million yuan (\$229,000) per day.

"The joint ventures have applied world-class management technology to China's commercial sector."

So far, the government has approved 12 department-store joint ventures in 11 cities in the east, including Beijing and Shanghai.

Government To Solicit Bids for More Export Quotas

HK1112084294 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 11-17 Dec 94 p 1

[By Wang Yong: "Quotas Will Be Decided In Bidding"]

[FBIS Transcribed Text] China plans to solicit bids for more export quotas in the future to restore trade order and reduce anti-dumping lawsuits.

"Public bidding for quotas has reaped initial success in curbing freewheeling price wars that often involve China in international dumping disputes," said Tang Wei of the Ministry of Foreign Trade and Economic Cooperation (Moftec).

The public bidding system was introduced last February for the first time as part of the nation's foreign trade

reform. It aims to enhance trade transparency and fairness which were rare in the past decades.

In the past, Tang said, without bidding, blind competition led to elaborate schemes which drove up purchasing prices for exports. Sales prices, however, had to be slashed once they reached the overseas markets, leading to financial losses for the State and arousing more dumping allegations from overseas. "The public quota bidding system, however, requires that every winner must guarantee maximum profits for the State by offering higher benchmark export prices than most other would offer," Tang explained.

He described the system as a natural response to a market economy that demands fair competition.

The first 13 export quotas for this year have already been delivered and another 24 (including the first 13) for 1995 have also gone through public bidding.

China has 92 categories of products subject to planned and voluntary export quota administration. The State imposes these two types of quotas, which are mostly available for public bidding.

In the past, all the quotas were allocated to companies by administrative orders.

The bidding system has its own flaws, however. One is that some major exporters have failed to win the quotas needed, harming the nation's traditional export channels.

Foreign business people also complained that they were unable to find new import channels immediately.

"But we've actually resolved the problem by granting the major exporters a second chance for bidding, and allowing for quota transfer," Tang said. If they should fail again, they lose forever.

With this problem ostensibly tackled, another crisis has appeared on the horizon—hefty export prices.

Foreign buyers are grumbling about the much higher prices charged by Chinese exporters after they have won the quotas.

"That worry is unnecessary and groundless. Our export prices, even now at a higher level, are nothing but closer to international standards," Tang pointed out.

Unreasonably low prices in the past fueled foreign allegations of dumping, he explained.

He also noted that public bidding is part of China's own economic reform, which could affect the export business.

"But the Chinese Government is not to blame. The government always respects the contracts signed, and will never break its promise. It is still up to Chinese exporters and foreign importers to negotiate a final price which both can accept."

Despite some existing and potential shortcomings, public bidding would not change in the future, he said.

Tang noted the government will continue to improve the system to meet the GATT rules of open and fair trade.

Economist Calls for Rational Use of Foreign Funds

OW1012062594 Beijing XINHUA in English 0543
GMT 10 Dec 94

[FBIS Transcribed Text] Beijing, December 10 (XINHUA)—The unchecked influx of foreign capital is putting undue pressure on China's money supply, and is one of the root causes of this year's soaring inflation, said Wang Zhenzhong, deputy director of the Economic Institute of the Chinese Academy of Social Sciences.

Any foreign investment program needs a corresponding sum of domestic funds, which in 1993 accounted for one-fifth of China's total bank lendings, said Wang, pointing out that the excessive influx of foreign funds will indirectly cause a shortage in domestic money supply.

Wang also noted that foreign capital should be used in renewing industrial equipment to ensure repayment afterwards. At present, however, large sums are being exchanged for renminbi which are in turn used to finance infrastructure construction, putting pressure on domestic money supply.

Moreover, discrepancies between registered capital and actual investment are found everywhere in enterprises involving foreign investment, said Wang, adding that no matter how great the gaps, they are usually closed by large loans provided by domestic banks, which benefit foreign investors but hurt the flow of China's regular money-supply.

In addition, the high prices of goods manufactured in foreign-funded enterprises exert an influence on similar domestic products, causing a corresponding rise in prices on the home front, said Wang.

In view of these facts, some Chinese economists suggest that the state add new stipulations on international reserves and exchange rate controls to the present monetary policies in an attempt to overcome the lack of ability to maintain a balance effectively between foreign exchanges and the domestic currency.

The pressure of the influx of foreign capital on inflation, in any case, is expected to subside as the central bank of China is planning measures to prevent it.

Paper Sees 'Huge Potential' for Foreign Banks

OW1012025594 Beijing XINHUA in English 1626
GMT 9 Dec 94

[FBIS Transcribed Text] Beijing, December 9 (XINHUA)—Banks from all over the world are eyeing the

huge potential market in China, according to the latest issue of the Beijing-based FINANCIAL TIMES.

China has witnessed a great influx of foreign banks since it started to open to the outside world in 1979.

According to a nationwide survey, only eight foreign banks had opened branches in China. The number had risen to 33 by 1989. So far, 330 banks from 20 countries and regions have set up representative offices in 20 Chinese cities. Meanwhile, over 100 representative offices, scattered in 13 cities, have been upgraded to fully-fledged bank branches.

[Word indistinct] described the swarming of overseas banks in the 1990's as the second upsurge. The first occurred in the 1920's-1930's, when foreign banks opened hundreds of branches in China.

During that period more than 200 foreign banks opened branches in Shanghai, China's leading financial center, alone.

The current upsurge is much bigger than the first one. Many leading banks worldwide are trying to gain a firmer presence in China while a number of banks in industrialized countries and regions such as the Republic of Korea, Singapore and Thailand have begun to operate in this great market.

Chinese financiers outlined three reasons for the new round of foreign presence in the Chinese financial market:

—In the first place, foreign banks are attracted by the Chinese financial market, which is expected to become the largest of its kind in the world in the 21st century, according to international banking;

—Secondly, foreign banks can make handsome profits in this big market;

—Thirdly, the possible handling of transactions in renminbi [RMB] will bring them benefits.

Japanese, German and U.S. banks boast the largest presence of all foreign banks in China today, the paper said.

Banks from Japan were the first to open branches in China. To date, seven out of the 26 foreign banks opened in Shanghai were set up by Japanese financial organs.

Germany's Commerzbank AG has been actively involved in financial activities in Shanghai. It has assisted the Shanghai International Corporation to issue 70 million U.S. dollars-worth of bonds, provided 420 million yuan in loans for the Shanghai-based Volkswagen company and helped the Shanghai-headquartered Communications Bank to issue 100 million U.S. dollars-worth of bonds in Europe and the U.S.

U.S. banks are also competing to enter the Chinese market. In November 1993 Citibank moved its regional office from Hong Kong to Shanghai. A dozen medium

and small U.S. banks have also set up representative offices, investment funds, securities agencies and financial companies in China.

The majority of foreign bankers concentrate on Shanghai, which is soon expected to house the "Wall Street" of the Far East.

By August this year foreign banks had opened 26 branches and 59 representative offices in Shanghai, with total assets of three billion U.S. dollars. Many of the world's leading banks such as the Hongkong and Shanghai Banking Corporation, Citibank and Bank of Tokyo have set up branches there.

The Shenzhen Economic Zone is another focus of foreign investment. The foreign-funded banks in the city offer customers more flexibility and a bigger variety of services, compared with banks in Shanghai.

But, the paper noted, the emergence of foreign-funded banks in China has put some Chinese banks in a difficult position.

These Chinese banks lag far behind the foreign-funded banks in management and qualified personnel. In addition, they have not made the distinction between specialized banks and commercial banks, the paper said.

Also, Chinese banks have to turn 55 percent of their profits over to the state, while the foreign-funded banks in coastal cities only hand in government taxes set at between 15 percent and 30 percent.

Therefore, Chinese banks are in an unfavorable situation when it comes to competing with their foreign-funded counterparts.

So far, the central government has adopted a series of measures to protect the interests of Chinese banks.

One of the measures is to unify the tax level of Chinese and foreign-funded banks. The second is to limit the business scope of foreign-funded banks, the paper said.

At the moment, foreign-funded banks are confined to foreign currency transactions and barred from handling transactions in RMB, the paper added.

However, the foreign banks have not given up their efforts to grasp a larger share of China's financial market. Some of the foreign banks are seeking to establish joint ventures with Chinese banks in an effort to undertake transactions in RMB.

During a visit to Shanghai in July this year, Tadashi Okuda, president of the Daiichi Kangyo Bank of Japan, promised to provide the Communications Bank with monetary expertise and financial information, and help it to train finance experts.

Meanwhile, the Bank of Lyons in France has offered interbank lending and borrowing on preferential terms to some key construction projects in Shanghai.

Statistics on Foreign-Funded Firms

OW1212031694 Beijing XINHUA in English 0242
GMT 12 Dec 94

[FBIS Transcribed Text] Beijing, December 12 (XINHUA)—The number of operational foreign-funded enterprises in China totals 100,000, and they employ 12 million local workers, according to the latest figures released by the Ministry of Foreign Trade and Economic Cooperation.

In the first ten months of this year China approved the setting up of 37,735 foreign-funded firms, involving a combined contractual value of 62.58 billion U.S. dollars. However, the actual amount of foreign investment used during the period came to 25.24 billion U.S. dollars, 43.3 percent more than the figure for the same period of last year.

Bank of China Increases Overseas Bond Issues

HK1212031694 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 11-17 Dec 94 p 1

[By Ren Kan: "Bond Issue Overseas Is Promising"]

[FBIS Transcribed Text] The Bank of China, the country's major foreign exchange bank, has sharply stepped up its bond issues in the international capital markets this year.

The bank has issued \$830 million worth of bonds in the United States Tokyo and Frankfurt, \$378 million more than last year.

The latest figure is the largest since the bank entered the international capital market in 1984 in Tokyo, said Huo Tuanjie, deputy general manager of the bank's foreign exchange department.

"This year, we also successfully realized our 10-year strategy, which was divided into three stages: entering the Japanese market first, then European and finally the US market."

The bank issued \$500 million worth of Yankee bonds in March, its first bond offering in the US market.

And its presence in the Japanese market was strengthened this year with an issue of 15 billion Japanese yen (\$150 million) of bonds in Tokyo in May.

The bank returned to the Frankfurt market after five years' absence with an issue of 300 million Deutsche Marks (\$190 million) worth of bonds in June.

Sustained growth of the domestic economy has improved receptiveness to the bank's bond issues. Foreign investors have been showing great enthusiasm for Chinese bonds.

Huo said the bank selected the right time to enter the three markets this year, which lowered the cost of its issues.

"All three bond issues were completed in the first half of this year when interest rates were still quite low."

Interest rates have been climbing steadily since hitting a trough in the second half of last year.

Huo said the money raised this year at low interest rates has helped the bank to adjust its existing high-interest-rate foreign debts.

The bank has floated 23 issues of overseas bonds in Tokyo, London, Singapore, Frankfurt and New York since 1984, collecting \$3.71 billion.

Money raised has supported the country's key construction projects in the telecommunications, energy and transport sectors.

The bank will continue to strengthen its presence in the Asian, European and US markets in the next decade under the guidance of the state plan she said.

Bond issues will help international investors become more familiar with the Bank of China.

"Our bank is seeking to build a strong image in the international market, which will help us reduce the costs of raising capital."

Many bankers from the United States, Europe and Japan have been contacting the bank, seeking to participate in its overseas bond issues.

"We will closely watch changes in the markets to select the best time to enter," Huo commented.

People's Bank To Support Pudong Development Bank

HK1212030694 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 11-17 Nov 94 p 4

[By Lin Wen: "People's Bank To Support Pudong"]

[FBIS Transcribed Text] China's central bank has pledged to support Shanghai's Pudong Development Bank (PDB) in its efforts to become a commercial bank of international standards.

"The central bank will stand by the PDB and create favourable conditions for (its) business growth," People's Bank of China Vice-Governor Dai Xianglong said during his recent visit to the bank.

The Pudong Development Bank is the first regional share-issuing bank in the Yangtze River Delta area.

Dai said the central bank will help PDB's network expansion and financial innovation. He also noted that PDB has been given approval to handle all types of business allowed by specialized State banks.

And PDB can operate, on a trial basis, services which are unavailable at the specialized banks "with the proper prerequisites," Dai said.

He emphasized that such operations must be kept within the regulatory framework.

Dai spoke highly of the performance of PDB, which was established at the beginning of last year.

"I was told to have a look at the bank by Vice-Premier Zhu Rongji, who has praised it several times—it really is different."

PDB is in the neighbourhood of the Bund, which is expected to be Shanghai's financial centre.

Dai said PDB has contributed to China's exploration of ways to run socialist commercial banks.

"As Shanghai is working to build itself into a financial centre in the region and the world, PDB is sure to have a bright future."

Development of the two-year-old bank has been on the fast track.

At the end of October renminbi deposits reached 8.51 billion yuan (\$1 billion) and outstanding loans 6.12 billion yuan (\$720 million), bank officials said.

Foreign exchange deposits were \$300 million and loans \$220 million.

PDB has set up 17 offices in Shanghai and neighbouring provinces and a representative office in Beijing.

Mixed Prospects for Computer Industry Predicted

OW1012034094 Beijing XINHUA in English 0309 GMT 10 Dec 94

[FBIS Transcribed Text] Beijing, December 10 (XINHUA)—China's computer market will continue to expand next year, along with an increase in the market share for foreign models, official forecasts said.

Sales in the Chinese computer market will total 37.81 billion yuan (about 4.35 billion U.S. dollars) in 1995, up from a projected 31.82 billion yuan for this year.

Sales of microcomputers will rise from this year's 428,000 units to 569,000 next year.

Based on an average annual growth rate of eight percent in the gross national product in the coming five years, the demand in China's computer market will grow by 10 percent a year, the forecasts said.

When other factors are taken into account, China's computer market will expand by an annual rate of 19 percent in the next five years, forecasts show.

China's computer market did not take shape until the late 1970s, when the first batch of foreign computers were introduced. By 1981, total sales topped the 1,000 mark, and following years have seen a rapid growth averaging around 50 percent a year.

More than 700,000 microcomputers in all are expected to be sold in China in 1994.

Experts said that the fast growth has incited a battle between overseas computer giants for larger shares of the Chinese market. This has had the consequence of driving down the share held by Chinese models to some 22 percent last year.

According to the experts, China's burgeoning computer industry is faced with tough challenges from its overseas counterparts. It is also plagued by shortages of funds, with many having been forced to close down or to operate in the red.

Official statistics show that by the end of last year, China had more than 6,000 computer firms employing some 250,000 people. They generated 20.5 billion yuan in industrial output, up 53 percent over the previous year, with market sales increasing 42.7 percent to 28.4 billion yuan.

In Asia, China has become the third largest computer market after Japan and the Republic of Korea.

Overseas computer information and technology sold in China is put at 1.6 billion U.S. dollars this year, up 21.2 percent from last year.

Authoritative sources have said that overseas computer and technology suppliers can see their revenues growing by some 20 percent a year in the coming years, reaching a total of four billion U.S. dollars by 1997.

Advertising Industry Reportedly Booming

*OW1012053794 Beijing XINHUA in English 0522
GMT 10 Dec 94*

[FBIS Transcribed Text] Beijing, December 10 (XINHUA)—China's advertising industry witnessed great changes in the last two years, said a report in INTERNATIONAL BUSINESS.

The latest statistics from the State Administration for Industry and Commerce show that China now has 31,000 companies and units engaged in advertising, double the figure in 1992. Their business volume in 1993 hit 13.4 billion yuan, up 98 percent from the previous year.

While affirming the achievements in the last two years, the newspaper also said that a tight rein should be kept on the development of China's advertising industry, because some problems keep cropping up.

For one thing, returns on advertising have fallen while the number of ad agencies has increased by a large margin. Some agencies could only survive by persuading companies to advertise by providing large illegal amounts in commissions.

At the same time, a growing number of false advertisements were reported in the last two years. In the capital of Beijing in 1993, 160 cases of false advertising were handled.

To help smooth the development of the industry, the government passed the first law concerning advertising, which is expected to take effect on February 1 next year.

Official Says Funds Allocated for Three Gorges

*OW1012143194 Beijing XINHUA in English 1319
GMT 10 Dec 94*

[FBIS Transcribed Text] Beijing, December 10 (XINHUA)—Most of the seven billion yuan needed for the construction of the Three Gorges project in 1993 and 1994 have been allocated, according to an official in charge of the project.

Luo Changmao, director of the planning and funding section of the Three Gorges Construction Committee of the State Council, said that the funds came partly from price increases for electricity throughout the country except for poor areas. They also came from profits of the Gezhouba hydropower station and from its price increases, as well as from loans from the State Development Bank.

Total investment in the Three Gorges project is expected to reach 90 billion yuan. This figure does not include interest payments or price increases. The actual cost could go beyond 100 billion yuan, according to Luo.

The investment will mainly be put into the building of the dam and the resettlement of local residents.

He said that the total investment of the project amounts to 1.75 percent of the gross national product and 4.29 percent of the total investment in state-owned infrastructural construction during the same period.

The project on the Chang Jiang river is expected to be completed by 2009.

East China Establishes Economic Development Zone

*OW1012044094 Beijing XINHUA in English 0213
GMT 10 Dec 94*

[FBIS Transcribed Text] Nanchang, December 10 (XINHUA)—An inter-provincial economic development zone is taking shape in east China's Jiangsu, Jiangxi and Anhui provinces.

The zone covers 15 cities and prefectures along the lower reaches of the Chang Jiang river, China's largest river system, with Nanjing, Nanchang, and Hefei, capital cities of the three provinces, as the centers.

The zone is expected to get a boost in its economic growth because of development of the Pudong area and the forthcoming large-scale construction of the Three Gorges water-control project.

The three provinces started economic cooperation in 1986 and have opened themselves to each other's markets and established dozens of specialized commodity markets since then.

Interbank transactions among the three provinces have reached 5.78 billion yuan so far. A total of 1,125 items of scientific and technological research findings were also transferred over the last couple of years.

Meanwhile, enterprises within the region combined their efforts in the development of new industries. For instance, the Nanjing-based Panda Electronics Group, alone, has established cooperative ties with 73 enterprises in the region, yielding an annual output value of 1.5 billion yuan.

Contracts on 3,656 key projects requiring interregional cooperation have been signed in recent years, bringing an added value of 3.4 billion yuan.

Zhejiang To Help Tibet Build Power Station

OW1012033494 Beijing XINHUA in English 0306 GMT 10 Dec 94

[FBIS Transcribed Text] Hangzhou, December 10 (XINHUA)—The highest hydroelectric power station in the world will be built in the Tibet Autonomous Region with the assistance of east China's prosperous Zhejiang Province, according to a contract signed in this capital of Zhejiang.

The Jiagang hydropower station will be located in Tibet's Xainza County, at an elevation of over 4,700 m above sea level. Its designed generating capacity is 1,500 kw.

The construction project, scheduled to start in October 1997, also includes a 26-km transmission line of 35-kv capacity and a 500-kv transformer substation.

Zhejiang plans to pour several million yuan into the project, which is the province's second large assistance project for Tibet, provincial officials said.

The contractor of the job is the Hydropower Corporation of the Chinese People's Armed Police Force, which is at the moment engaged in building another power station in Tibet.

The new power station is expected to boost the economic development of Xainza County, which has long been hindered by the absence of electric power.

RENMIN RIBAO Editorial on Production Safety

HK1212104294 Beijing RENMIN RIBAO in Chinese 7 Dec 94 p 1

[Editorial: "Carry Out Comprehensive Rectification and Management in Accordance With Law To Ensure Production Safety"]

[FBIS Translated Text] This year, the country has maintained a sustained national economic growth. Thanks to deep reforms, the country's macroeconomic policies have yielded some initial results. Since the "PRC Labor Law" was promulgated, the country's labor undertakings have also displayed renewed vitality. However, what

merits attention is that the country is now confronted with a rigorous production safety situation. According to a situation analysis report prepared by the Ministry of Labor, the country's enterprises saw more accidents and a growing number of injuries and deaths in the first three quarters of this year as compared with the same period of last year. The country's total number of serious accidents and resultant deaths also rose by a large margin, registering a 23.6 percent and 28.9 percent increase respectively over the corresponding period of last year. Besides, certain malignant incidents have rarely been seen in PRC history, incurring heavy losses of people's lives and state property and directly undermining social stability.

Production safety is a matter of the utmost importance. We should maintain constant vigilance and never slacken our efforts in this regard. Production safety work is at once an important component of the country's economic work as a whole; an important guarantee of the productive forces development, economic growth, and social stability; and a powerful indicator of the country's civilization standard. Thus, it is imperative to take production safety work as a matter of the utmost importance to the country's national economy and people's livelihood so as to firmly and persistently grasp, carry out in a down-to-earth manner, and make a success of production safety work. This is indeed an unshirkable duty on the part of people's governments and enterprises at all levels. Under the guidance of such a principle as "safety first, prevention first," the country has gradually established a production safety management structure under which enterprises assume safety responsibilities; various trades and professions strengthen safety management; the state conducts safety inspection; and the masses exercise safety supervision." Moreover, the country has also formulated and promulgated a series of production safety rules, regulations, systems, and criteria and has summed up and propagated a host of effective production safety management measures. On 5 July, 1994, the first "PRC Labor Law" was promulgated, providing explicit production safety and labor protection stipulations as well as a basic legal basis for the country's production safety work.

Only after being implemented to the letter will laws and systems become effective and powerful methods. Accidents are caused by a variety of factors, including objective and relapsing factors that undermine production safety. Nonetheless, the majority of accidents are caused by human error. Failure to strictly abide by laws, supervise work, and remove hidden perils has given rise to a growing number of human errors as well as tragedies that could otherwise have been prevented. The rigorous facts have shown: Certain localities and enterprises have failed to implement to the letter the principle of "safety first, prevention first" and a host of other relevant policies, rules, and regulations, thus placing production safety in jeopardy. Moreover, bureaucratism and such an erroneous mentality as "pursuing money at the expense

of safety" have been running rampant in certain localities and enterprises. Should this situation be allowed to continue unabated, it would be hard to consolidate the existing safety management structure and enforce existing safety laws.

It is now only a short time away from official "PRC Labor Law" enforcement. The country is also experiencing a peak of accidents at the moment. A pressing and important task confronting people's governments and enterprises at all levels, as well as the broad masses of staff and workers, at the moment is to reduce the number of accidents as quickly as possible; smoothly enforce the "PRC Labor Law"; and secure a sustained, healthy, and rapid national economic growth under safe and stable conditions. To this end, people's governments at all levels should step up production safety supervision in accordance with the law; make it clear that principal leaders should assume primary responsibilities for production safety; and implement such a responsibility system whereby leaders assume personal responsibilities for production safety to improve production safety at all levels. Moreover, leaders at all levels should show concern for the safety of the broad masses of people in the same way as they do for their families and should also exert their utmost to guarantee production safety during their tenure of office. It is also imperative to build efficient production safety supervision institutions and contingents.

In the country's ongoing institutional reform, production safety supervision institutions should never be abolished. Rather, they should be consolidated and strengthened still further. It is imperative to constantly improve production safety supervision personnel quality and see to it that they are able to make conscientious efforts to locate hidden perils; strictly enforce regulations, prohibitions, and penalties; resolutely enhance basic management; and conduct comprehensive rectification and management. To this end, labor, public security, and industrial management departments will have to coordinate and cooperate with one another while party, government, trade union, and Communist Youth League organizations should also join hands in improving all-round safety management with an eye on wiping out all types of accidents in the embryonic stage.

While shifting enterprises operative mechanisms, production safety should never be "untied." Especially in enterprises involved in a reform aimed at implementing a modern enterprise system on a trial basis, it is imperative to clearly define property rights relations, operational responsibilities, as well as production safety responsibilities in order to enable enterprises to further enhance production safety while developing production. It is imperative to formulate production safety decrees and relevant rules and regulations more expeditiously; further publicize and vigorously enforce safety decrees; as well as extensively and repeatedly indoctrinate people with safety decrees in a way loved by the broad masses of people in order that safety decrees will strike root in the

people's hearts and that everyone will know, understand, and abide by safety decrees and consciously exercise production safety supervision rights. It is imperative to popularize safety knowledge; enhance a sense of safety among the populace; and advocate in the society such a prevailing mentality that "it is glorious to abide by production safety laws and discipline whereas it is shameful to violate production safety laws and discipline and sabotage production safety," thereby ensuring production safety in all trades and professions this winter and next spring. We must firmly grasp such an excellent opportunity as "PRC Labor Law" enforcement to strive to put the country's production safety work into the orbit of a legal system and also push forward its benign progress.

Former Worker Spreads Rumors About Popular Detergent

HK0912133694 Beijing RENMIN RIBAO in Chinese
23 Nov 94 p 2

[Dispatch from Chengdu by staff reporter Luo Maocheng (5012 5399 1004): "Production of 'Jieeryin' Forced To Stop"]

[FBIS Translated Text] While enterprises in various areas are working hard to create famous-brand products, "Jieeryin," a well-known product in the market, has been forced to cease production because of rumors spread by other people.

Since it was put on the market, Jieeryin, a liquid detergent made by the Enwei Group Company in Chengdu, Sichuan Province, has won many awards and praise from a large number of consumers. In September this year, it passed the international standard certification of the "China International Standard and Quality Certification Committee" in accordance with international standards. However, since September, the State Administration for Industry and Commerce, the China Consumer Association, and the public health and medical departments and pharmaceutical companies of various provinces and cities have received similar anonymous "reporting letters" and "complaints" one after another, complaining that Jieeryin was not up to standard. The anonymous letters also enclosed a so-called report from a relevant department on the poor quality of Jieeryin and a pieced-together newspaper report complaining about the poor quality of this product. As it was hard to distinguish between true and false for the time being and some of this material had been reprinted by certain newspapers, many medical and public health departments outside the province issued a circular terminating sales of this product. Some sales agents decided to return products they had ordered and refused to pay for them. As a result, the Enwei Company was unable to receive the 150 million yuan they should have collected for delivery of these products. The direct economic loss incurred was more than 40 million yuan.

Who sent the anonymous "reporting letters"? A special group organized by the public security, people's procuratorial, and legal departments of Shuangliu County in Sichuan Province, which was responsible for investigating and checking this case, has found out through investigations that Zhang Yong and others sent the letters. Zhang Yong is a former worker with the Enwei Company who was fired by the company and is now in charge of the sales and personnel department of Chengdu Quanyuantang Pharmaceutical Limited in Zhejiang Province. Zhang is currently engaged in a lawsuit against the Enwei Company. The police also found more than 400 fabricated and pieced-up newspapers in Zhang Yong's office, which had not yet been mailed.

The special group examining the case disclosed that what Zhang Yong had confessed and the evidence in hand showed that this was an organized, systematic, and premeditated criminal activity with a complicated background, which involved quite a few people.

Xue Yongxin, general manager of the Chengdu Enwei Group Company, strongly appealed to the relevant departments about the necessity of stopping the illegal practice of deliberately slandering the commercial prestige of others and undermining production, and that severe punishment should be given to lawbreaking and criminal elements so that the legitimate rights and interests of enterprises can be protected. It is learned that this case has aroused serious attention in the relevant departments in Chengdu and Sichuan Province. They are carrying out in-depth investigations.

Protection of Brand-Name Goods Urged

HK0912133794 Beijing RENMIN RIBAO in Chinese
23 Nov 94 p 2

["Trivial Discussion Afterwards" column by Wen Niu (2429 3662): "Various Quarters Please Pay Attention to This Matter"]

[FBIS Translated Text] "Jieeryin" has been forced to cease production by slanderous rumors. This is indeed a matter which arouses great indignation among people. In studying the course of events, there is a matter that should arouse our attention, that is, protection of famous-brand products needs attention from various quarters.

It is not easy for us to "fight against false products and protect famous-brand products." Apart from all of the obstacles we may encounter, when confusion is created between true and false, it is also a headache for us. The Jieeryin event is such a phenomenon, in which confusion was created by passing off the bogus as genuine. In another case, when it was reported that a certain famous-brand product had been forged, consumers no longer bought this product for fear of being cheated. As it is difficult to distinguish between true and false products, consumers also find it difficult to distinguish between true and false information. If consumers take the same

attitude toward both true and false products, manufacturers will have more misgivings about fighting false products. They dare not say anything even when their products are forged.

It is necessary to fight against false products and protect famous-brand products. For this reason, we hope that people will add prudence and analysis to their resolute attitude when dealing with problems concerning counterfeit products.

Prudence means they should not blindly follow and easily believe in hearsay. Especially, regarding famous-brand products, they should not be anxious to take simple measures immediately when they hear that something is wrong with products. They had better listen to the "appeals" of the manufacturers first and consult the relevant departments in charge before making financial decisions. This is the same for consumers. Once they find a certain famous-brand product has gone wrong, they should go to the relevant departments to lodge their complaints so that they can find out whether there is anything wrong with the manufacturer or whether the product has been forged by others. They should draw conclusions after carrying out analysis. In this way, the number of manufacturers who are "accidentally injured" and unnecessary economic losses can be reduced.

Famous-brand products are treasures of our country. In China, we have too few not too many famous-brand products and famous enterprises. We are not very strong, but are still very weak. Under such circumstances, they need more care and protection from various quarters. Apart from what has been mentioned above, that is, various departments in charge, various sales channels, and consumers should be prudent and should carry out analysis, media and press circles will play an even more important role under certain conditions, because people usually regard what is carried in newspapers as reliable. Therefore, while ruthlessly exposing fake and counterfeit products, it is also necessary to prevent "injuring good people accidentally."

Water-Control Legislation Accelerated

OW0912141594 Beijing XINHUA in English 1343
GMT 9 Dec 94

[FBIS Transcribed Text] Hangzhou, December 9 (XINHUA)—China has been accelerating the making of laws aimed to better conserving its scarce water resources.

According to a national meeting on water affairs now in session here, China promulgated a "Water Law" in 1988, followed by a series of related laws and regulations.

This year alone, legislators have amended the "Water Law" and the "Law on the Prevention and Control of Water Pollution", and drafted the "Flood Prevention Law", "Regulations on the Price Control of Water Supplies by Water-Conservancy Projects" and "Regulations on Water Resources Requisition".

Local legislation has also made rapid progress. So far, regulations concerning the implementation of the "Water Law" have been drawn up in all 30 provinces, autonomous regions and municipalities. Fourteen provinces have promulgated regulations concerning the levying of water fees, and four localities have introduced detailed regulations on water licensing.

Experts said that legislation is especially important to help China, where water resources are inadequate, to improve its scientific management and rational utilization of water.

Statistics show that the per capita water resource availability of the country is 2,400 cu m, only one fourth the world's average. Of the 500 Chinese cities, 300 suffer from water shortages, 100 of them seriously.

To date, 800 mobile courts on water affairs have been launched across the country. In the first half of this year they dealt with 14,500 cases. In addition, over 80,000 water affairs supervisors are at work nationwide.

Oceangoing Ship Insurance Industry Booming

OW1012143294 Beijing XINHUA in English 1323 GMT 10 Dec 94

[FBIS Transcribed Text] Guiyang, December 10 (XINHUA)—The People's Insurance Company of China (PICC) has become the largest maritime insurance company in Asia, according to a conference of the China Association of Oceangoing Ship Insurance Firms that just finished here in the capital of southwest China's Guizhou Province.

The owners of about 1,900 oceangoing ships have bought insurance totalling 24.2 billion U.S. dollars from PICC.

PICC inaugurated its maritime coverage in the early 1960's, starting with about 60 ships, and the figure had increased to some 300 by 1978.

By the end of 1993, PICC's insurance was covering about 170 fleets and companies, according to the conference.

So far this year, the number of ships under PICC's coverage has risen by 34 percent from 1993, accounting for about 90 percent of China's oceangoing insurance market.

There have been 740 cases involving maritime insurance that have been resolved, resulting in the payment of a total of 60 million U.S. dollars by PICC.

In recent years, PICC has also acquire some personnel who specialize in international maritime commercial law, some of who have become experts on foreign maritime law.

XINHUA told that PICC has recovered losses for China by helping other Chinese insurance companies handle major maritime cases. In the process, PICC has established about 70 overseas offices and hired over 60 overseas agents.

A senior PICC official said that Chinese oceangoing ships can get help from PICC quickly no matter where they are on earth.

Through Lloyd's of London, PICC has also established insurance-relations with some 1,500 foreign counterparts.

Canadians First at Fish-Processing Exhibition

HK1212031494 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 11-17 Dec 94 p 2

[By Tian He: "Canada Fields Presence At Fisheries Expo"]

[FBIS Transcribed Text] A Canadian seafood processing industry delegation is finding itself the sole foreign presence at China's first fish-processing technology and equipment exhibition.

Canadian Secretary of State Fernand Robichaud heads up his country's delegation to the six-day China Fish Processing Expo, organized by the Ministry of Agriculture. It opened over the weekend.

His delegation is composed of representatives from 11 seafood companies. Canada's Department of Fisheries and Oceans and J.F.C. Engineering Co are co-organizers of the Canadian participants—the first government-organized business mission to China following Prime Minister Jean Chretien's visit last month.

Canada stresses fruitful co-operation with China in fishing sectors, according to deputy delegation leader Alick Andrews, executive director of Corporate Services for Canada's Department of Fisheries and Oceans.

"We are anxious for our two nations' people to meet each other and develop our economic partnerships in fishery."

Andrews explained that the Secretary of State, who is in charge of agriculture, agri-food and fisheries and oceans, will focus his visit to China on Beijing and on the fishing fair as well as on the development of co-operative fisheries between the two nations.

Andrews believes that both Chinese and Canadian fishermen have many common interests. He said Canada is ready to establish partnerships between Chinese and Canadian industries.

"Our Canadian fishing industry is very competitive in the international market in fish catching, processing and marketing fields," he noted.

But he said sales to China marks only the starting point of co-operation between the two countries. Canada is keen to co-operate with China in fishery and aquaculture in deep-ocean fishing that may help China develop its aquatic production.

The Chinese Government wants aquatic products output to reach 28.5 million tons by the year 2000-10.27 million tons more than in 1993.

Per-capita consumption of aquatic products in China is expected to reach 17 kilogrammes this year, 1 per cent less than the world average.

The seafood industry is an economic mainstay in Canada, whose expertise may help China realize its ambitious goal in the field, the Canadian senior official noted.

The fish industry in Canada has advanced science and technology, modern management, superior products and service as well as extensive coverage of international markets.

The North American country's aquatic production value approach \$2.1 billion a year, \$1.2 billion of which were sold abroad.

Official on Grain, Edible Oil Procurement

OW1112112994 Beijing 2000A Domestic Service in Chinese 1154 GMT 7 L

[By reporter He Jingsong (6320 0513 2646)]

[FBIS Translated Text] Beijing, 7 Dec (XINHUA)—This reporter has learned from the Internal Trade Ministry today that by 5 December, the amount of grain purchased by the state throughout the country amounted to 64.16 million tonnes, representing 72.1 percent of the plan and an increase of 6.384 tonnes over the same period last year. However, the aggregate quantity of edible oil stored in warehouses was 1.197 million tonnes, a decrease of 48,000 tonnes from the same period last year. In this regard, Bai Meiqing, vice internal trade minister, called on all localities to do a good job in purchasing autumn grain and to fulfill the state grain and edible oil purchasing plan for 1994 as soon as possible, so as to lay the foundation for stabilizing next year's grain market.

The latest statistics provided by the Internal Trade Ministry indicate that grain purchases in various localities this year have proceeded fairly rapidly. Judging from the total purchased amount, Henan has fulfilled its purchasing plan and Hubei has fulfilled 95.6 percent of its purchasing plan; judging from the amount of grain purchased according to contracts, Henan, Shandong, Jiangsu, and Guizhou have fulfilled their contract purchasing plans while Hebei, Shanghai, Jiangxi, Guangdong, and Xinjiang have fulfilled more than 90 percent of their plans. The progress of edible oil purchasing has been uneven. The progress in 11 provinces and autonomous regions was faster than last year. In Henan Province, 50,000 tonnes of more edible oil were purchased than the same period last year; in Hubei Province 30,000 tonnes more were purchased, while in Hunan and Xinjiang, about 20,000 tonnes more were purchased. However, in some major producing areas, such as Sichuan,

Anhui, Guizhou, and Jiangsu, the purchase progress was slower than the same period last year.

The main reasons for the good situation in grain purchasing this year are: local party and government leaders have attached importance to grain purchasing work; relevant departments strengthened coordination; banks improved the allocation of funds to ensure that peasants do not receive IOU's; to industrial and commercial administrative departments strengthened market management to maintain purchasing order. The smooth progress of grain purchasing work was ensured because various localities grasped the work early and efficiently.

To make sure that the state has 70-80 percent of commodity grain sources under its control and to ensure that the needs of the urban and rural population are met, Bai Meiqing called on all localities to continue strengthening purchasing work and to whip up an upsurge in storing grain in warehouses. Governments at all levels must enforce the purchasing responsibility system and see to it that contract purchasing tasks are completed within a prescribed period of time. They must ensure that grain purchased by contract must not be sold immediately and that the plans for buying grain from the market be resolutely fulfilled. Efforts should be made to buy more grain in bumper harvest areas; purchasing plans should be fulfilled in areas reaping ordinary harvests or suffering from minor natural disasters; in areas suffering from serious natural disasters, efforts should be made to reduce the gap between revenues and expenditures and to find grain sources. Secondly, state policies must be strictly followed in grain purchasing work. Prices for grain to be purchased by contract should be fixed according to the unified provisions of the state. No one is permitted to arbitrarily raise the prices. When it is necessary to increase the prices, local financial departments should subsidize the increased portion. In this way, the fixed prices remain the same, and the increased portion will not be included as cost. Nor should enterprises be made to bear the burden for the increased portion of the prices. Management should be tightened over the purchasing of grain from the market. No one is permitted to cause runs on grain by offering to pay higher prices. Violators in this respect must be strictly dealt with. Grain departments must conscientiously implement policies on grain prices and should never take the lead in raising them.

In conclusion, Bai Meiqing stressed: All localities should continue to strengthen management over the grain and edible oil markets to stabilize market order. No unit or individual is allowed to go to rural areas to buy grain except the units authorized by the state. Grain wholesale enterprises should be streamlined. Management and guidance over grain prices in urban and country fairs, wholesale markets, and grain and edible oil exchanges should also be strengthened. Hoarding and cornering, domination of the market, and driving up prices are prohibited. Once discovered, the person who engages in these activities must be punished.

Jiang Chunyun on Agricultural Policies

OW1212102194 Beijing XINHUA Domestic Service in Chinese 0948 GMT 11 Dec 94

[By reporter Yang Xinhe (2799 2450 3109)]

[FBIS Translated Text] Shijiazhuang, 11 Dec (XINHUA)—“The key to striving for a new development in agriculture and the rural economy lies in implementation of the Central Committee’s principles, policies, and measures on strengthening agriculture,” stressed Jiang Chunyun, member of the Political Bureau and Secretariat of the CPC Central Committee, while conducting an inspection tour in Hebei Province.

Jiang Chunyun and responsible persons of the relevant departments under the Central Committee and the State Council, visited Hebei Province from 8 to 11 December. After hearing the work reports of the provincial party committee and the provincial government, they conducted on-site investigations in the rural areas of Shijiazhuang and Handan cities.

During a discussion meeting with Hebei cadres and masses, Jiang Chunyun said: Hebei is an important agricultural province and is one China’s important agricultural bases. What I have seen and heard of on my way here makes me feel that Hebei has achieved marked results in agricultural and rural work. This year, Hebei Province has reaped an all-round bumper harvest despite the fact that some areas were struck by serious flooding and drought disasters. The output of farm products, such as grain, oil-bearing crops, meat, fish, vegetables, and fruits surpassed all past records; the output of cotton has begun to increase; the number of village and township enterprises, that of secondary and tertiary industries, and peasants’ income have registered a fairly large increase over the same period of last year. The fact that grain output has increased for three consecutive years is something special. This is not easy to accomplish. Jiang Chunyun said: A very important reason why Hebei Province has been able to achieve such remarkable results in agricultural and rural work is that the provincial party committee and government attached importance to agriculture, firmly grasped agriculture, and genuinely placed agricultural work before economic work.

In implementing the principle guiding rural economic work, the provincial party committee and government gave priority to guaranteeing increases in the output of grain, cotton, oil-bearing crops, and other basic agricultural products. At the same time, they have earnestly increased input in agriculture. Input in agriculture supplied by provincial-level finance departments has surpassed the financial rate of increase each year.

Jiang Chunyun pointed out: The party Central Committee and the State Council attach great importance to agricultural, rural, and peasant issues. Since the beginning of last year, they have convened two central agricultural work conferences to map out a series of principles, policies, and measures to deal with the new

situations and new problems emerged in the course of development of agriculture and the rural economy. The key to bringing about the development of agriculture and the rural economy lies in the implementation of these principles, policies, and measures. All areas and departments have done much in this area, but we should be soberly aware that at present, many important policy decisions and provisions of the Central Committee have not yet been implemented, or have not been thoroughly implemented. This is a fundamental reason why agricultural development has stagnated. The peasants have also complained about this state of affairs.

Jiang Chunyun stressed: The most important thing to do at present is to put the following five things into place: First, put ideology and understanding into place. Party and government cadres at all levels, especially the principal leaders, should earnestly know that whether priority is given to agriculture has a bearing on whether the central task of economic development is adhered to and on the overall situation of reform, development, and stability; therefore, they must proceed from the overall interest of party work and overcome one-sided knowledge and dubious ideas that neglect agriculture and slacken efforts in developing agriculture. Instead, they should make agriculture development the priority of economic work.

Second, putting leading force in place. In accordance with the provisions of the Central Committee, provincial, city, and district party committees should devote a large amount of energy to grasping agriculture and rural work. Prefectural and county party committees should focus on rural work and strengthen the personnel of agricultural and rural work departments. The principal leaders of party and government departments at all levels must personally attend to agricultural work and strive their best to effectively solve major problems that emerge in agricultural and rural work.

Third, putting agricultural input in place. A prerequisite of upgrading agriculture to a new level is to be determined to increase agricultural input and to improve the conditions of agricultural production. Both the central and local authorities should increase input in this area, but the collectives and peasants in villages should also increase input in this area. Efforts should be made to exploit the abundant labor resources in China’s rural areas, to undertake large-scale construction of farmland water conservancy projects, and to increase the investment of labor.

Fourth, putting in place the policy of developing agriculture through the application of science and technology. Scientific and technological work in rural areas must be strengthened, not weakened. At present, efforts must be made to propagate and apply the research results of agricultural science and technology and to quickly transform existing scientific and technological research results into practical productive forces. It is necessary to adopt effective measures to stabilize and strengthen

agricultural science and technology popularization institutions and contingents and to solve such problems as staff size and expenditures.

Fifth, putting aid measures in place. The series of policies and measures mapped out by the party Central Committee and the State Council for aiding agricultural development and protecting peasants' interests are an important guarantee for stabilizing and strengthening the status of agriculture as the foundation of the economy under the new situation of developing a socialist market economy. All areas and relevant departments should check in real earnest what has been implemented, what has not been implemented, and what they should do when they discover that some aid policies and measures have not yet been implemented. Through summing up their work, conducting an examination, and working more conscientiously, all areas and relevant departments should guarantee that the aid policies and measures of the Central Committee and State Council will be thoroughly implemented.

Commentator Urges More Input for Agriculture

HK1212115394 Beijing RENMIN RIBAO in Chinese 8 Dec 94 pp 1, 2

[Commentator's article: "Assigning Agriculture A More Important Position Must Be Reflected in Increased Investment"]

[FBIS Translated Text] The recent economic work conference called by the central authorities once more emphasized the need to put agriculture in the first place in our economic work. This is an ideological guidance for economic development further defined by the party Central Committee and the State Council in the overall interest of reform, development, and stability.

In the national economic development, agriculture is always the most fundamental issue. Over the last few years, the party Central Committee and the State Council, which attach great importance to agriculture, have taken a series of major measures to strengthen agriculture and thus further developed our agriculture. However, our agricultural development has clearly failed to match the economic growth and to meet the people's needs. The agricultural situation remains desperate. Zero growth in grain and cotton production, slow growth in the incomes of farmers, weak agricultural foundations, and insufficient strength for future development have become outstanding problems in our economic development. There have been serious floods and droughts this year and, as a result, there was a sharp increase in the prices of some agricultural and sideline products due to an inadequate supply, which in fact served as a serious signal that the agricultural foundations are shaky. If we are not determined to solve this problem, it will seriously affect our sound economic development and social stability. Whether agriculture is put in the first place of the economic work is no longer a theoretical issue but rather a very urgent practical matter.

To put agriculture in the first place of the economic work, the most important thing to do is to increase input into agriculture. The party Central Committee has been stressing the need to strengthen the role of agriculture as the foundation of the national economy but the situation in which agriculture plays a weak role in the national economy has remained unchanged. The basic reason is that we have failed to really solve the problem of insufficient investment in agriculture. Agriculture has a long production cycle and is subject to natural disasters as well as market risks. It has low economic returns but has a high social efficiency. It is in an unfavorable position in market competition but its role as the foundation for the national economy is irreplaceable. Therefore, governments at all levels must provide special support and protection for agriculture and make increasing input into agriculture an important aspect of strengthening macroeconomic control. We have set the basic objective of agricultural development for the end of this century. Among other things, the most important aspect is to increase by an extra 50 billion kg of grain so that our grain output will hit 500 billion kg at the end of this century. The present conditions and the foundations for agricultural production are not equal to this goal, so we must increase input into agriculture. To develop agricultural production, we must give play to farmers' enthusiasm and creativeness and apply scientific and technological achievements. However, all this must be supported by essential material conditions. The present situation has clearly shown us that to stabilize agricultural production and boost it a great deal, we must resolve to increase input. This is the key to the agricultural problem and also an important sign demonstrating that agriculture has really been put in the first place of the economic work.

To increase input into agriculture, we must take practical measures. First of all, we must resolve to adjust the redistribution pattern of national income and to increase the proportion of agriculture-oriented funds in the investment in construction, in the budget funds, and in the credit funds. The state is not quite well off at the moment and there is only a limited increase in financial strength. Therefore, to increase investment in agriculture, the state will have to adjust the existing investment pattern, undertaking some new projects while cutting others. We must give top priority to agriculture even at the expense of several industrial projects and industrial growth. Over the last few years industry has grown much faster than agriculture. If things went on like this, both agriculture and industry would collapse and then an inevitable overhaul would cost dearly to the economic development as a whole. Since the founding of our People's Republic, we have been forced to make major adjustments to our economy on several occasions due to uncoordinated industrial and agricultural development and we invariably started the adjustment by strengthening agriculture. We must keep this lesson from history firmly in mind. Second, the central government and

local governments at all levels must take practical measures to increase input into agriculture. Since there are so many agricultural problems crying out for solutions in our big country, no governments at any level can afford to solve the problems by themselves. So we must seek unity of thinking and action.

One of our superiorities is we can concentrate our financial strength on major projects. The entire party membership must make concerted efforts to make a success of the major cause of promoting agricultural production. Coastal areas, which have seen rapid economic growth, are in a better position to strengthen agriculture as the base. Governments at all levels should provide greater support for poor areas, which started with poor agricultural foundations. The collectives and individuals in rural areas should also increase input in agriculture, especially the input in the form of labor. In short, governments at all levels must do solid things to increase input into agriculture. Third, we must see to it that more funds and resources are actually invested in agriculture. The two rural work conferences called by the central authorities since last year set out a series of policies to strengthen the role of agriculture as the foundation of the national economy but the biggest problem was that these policies were not implemented to the letter. This shed light on the irregularities with our party's work style and was the last thing the masses hoped for. Resolute efforts must be made to overcome the irregularities. To increase input into agriculture, we must make sure every measure is applied in detail and every sum of funds is in place.

The key to boosting agricultural production lies in an additional input while the key to increasing input lies in the leadership. In any locality, whether or not importance is attached to agriculture has everything to do with the leadership's position on agriculture. In the final analysis, there are some problems with the leadership's thinking if only a small sum is invested in agriculture or the funds earmarked for agriculture are not in place. True, every locality is in financial straits and every field is in need of money. But why is it they have money for projects other than agriculture? This gives us much food for thought. The key issue is how the efficiency of agriculture should be evaluated. We should approach agriculture from the political angle, bearing in mind the overall and long-term interests. We should be aware that agriculture is essential to the national economy and the people's livelihood, to healthy economic development, and to social stability. In this way, we will find agriculture has enormous efficiency and is of a fundamental nature. The leadership of any locality must really implement the principle of "putting agriculture in the first position" and take practical measures to increase input into agriculture, if they sincerely and willingly attach great importance to agriculture.

Whether or not we can attain the second-step strategic objective for national economic and social development at the end of this century depends to a great extent upon

agricultural and rural developments. Putting agriculture in the first place of our economic work, strengthening agriculture in an effective way, and giving top priority to agriculture, is the party's basic ideological guidance for economic work. The entire party membership must acquire a thorough understanding of this ideological guidance and they must not wait to do this and solve the problems until major agricultural problems crop up. Comrade Deng Xiaoping has warned us: "If we have a setback in agriculture, it will take us more than three to five years to straighten it out"; "if there is any problem with our economic work in the 1990's, it might come from agriculture." This aphoristic-like and farsighted remark should arouse the great attention of leading comrades at all levels. We must not take care of immediate interest only to ruin the foundation of the national economy. Facts prove that whether or not a leading cadre attaches importance to agriculture is not a problem concerning his art of leadership, nor a problem concerning his skill to "coordinate the work in various fields," but rather an indicator of whether he has the overall interests in mind and whether he is mature politically.

If a leading cadre really attaches importance to agriculture, he must make work arrangements favoring agriculture, concentrate his energy on agriculture, increase input into agriculture, place a firm grasp on grain production and the project for developing nonstaple foods to increase the supply of essential products, and increase farmers' incomes to make sure they will lead a comparatively comfortable life. The more the market economy develops, the more necessary it is for the leadership to attach importance to agriculture.

Our agriculture and rural areas are presently at a crucial period of development and are facing glorious and difficult tasks. Under the leadership of the party Central Committee, with Comrade Jiang Zemin at the core, the entire party membership must, in the overall interests of reform, development, and political stability, strengthen agriculture and work in a down-to-earth manner to make a success of agricultural development and rural work so as to make new contributions to the sustained, healthy, and rapid development of the national economy.

RENMIN RIBAO Reports on Rural Talent Program

OW1012142594 Beijing XINHUA in English 1255
GMT 10 Dec 94

[FBIS Transcribed Text] Beijing, December 10 (XINHUA)—A rural talent program which has given farmers training in applied technology and management skills has been operating successfully for several years.

The training is part of the larger "star program", whose goal is the improvement of the quality of rural labor and enhancing the agricultural strength of China.

Known as the "university without a campus", the program has been going on for 9 years, and has trained a

total of 20.7 million talented rural people, according to today's overseas edition of the "PEOPLE'S DAILY" [RENMIN RIBAO], [punctuation as received]

In April, 1992, China's State Science and Technology Commission and related government departments finished research work into the training and development strategy of the star program. At the same time, all provinces, autonomous regions, and municipalities formulated regulations for carrying out this program.

The annual report of the program has been listed among the annual reports of the State Statistics Bureau.

'Commentary' Hails 'Optimum-Scale' Chicken Farming

OW1112100394 Beijing XINHUA Domestic Service in Chinese 2106 GMT 10 Dec 94

["Short Commentary" by XINHUA reporter Chen Yi (7115 5669): "An Effective Way To Increase Market Supplies"]

[FBIS Translated Text] Beijing, 11 Dec (XINHUA)—Through the development of optimum-scale chicken farming, Beijing, Tianjin, and Shanghai have enough eggs to spare and have kept prices relatively stable. Their practice is a great inspiration to the people.

Enriching the people's "shopping baskets" is a matter of great concern to the CPC Central Committee, the State Council, and all segments of society. Party committees and governments in all localities pay close attention to

enriching "shopping baskets." The experiences of the three municipalities show that only an ample supply of goods can provide a solid basis for keeping the market stable and for reining in inflation. We need to find scientific methods to expand the sources of goods for "shopping baskets" on this basis. Judging by the experiences of Beijing, Tianjin, and Shanghai Municipalities in developing egg production, an effective way to increase market supplies is to vigorously promote appropriate advanced technology and to practice optimum-scale chicken farming. Compared to traditional household-based chicken farming, optimum-scale farming has the clear advantages of significantly increased output, lower costs, and higher returns. This practice deserves to be emulated by large and medium-sized cities.

The ultimate way to enrich and stabilize "shopping baskets" is to introduce modernized production. An important prerequisite here is to apply and promote appropriate advanced technology. All localities should adapt their measures to local conditions; actively search for and vigorously promote advanced technology that is instrumental in improving agricultural and sideline production returns; and strive to increase the supply of essential goods.

The practice of the three municipalities in solving the problem of egg supplies shows that the government should pay close attention to markets for nonstaple foodstuffs that have a direct bearing on the people's livelihoods. Even if there are adequate supplies, it still needs to keep exploring and gradually improve the means for exercising overall regulation and control.

Central-South Region

Guangdong Price Increases Below National Average

HK1112073794 Beijing XINHUA Hong Kong Service in Chinese 0213 GMT 10 Dec 94

[By reporter Zhang Chaonizeng (1728 2600 4382)]

[FBIS Translated Text] Guangzhou, 10 Dec (XINHUA)—Guangdong has achieved dramatic success in regulating prices. Compared with the same period last year, the retail price index from January to October rose 19.1 percent this year, and the inhabitants' consumption prices went up 21.6 percent, both lower than the national average.

Maintaining the inhabitants' consumption prices and paying close attention to the building of the "grain bag" and "vegetable basket" are crucial for stabilizing the prices of the market as a whole. The Guangdong CPC Committee and government have made numerous studies of the question of agriculture. All the cities have laid down a rule: If an old vegetable lot is to be used, a new piece of vegetable land covering an area of 150 percent should be developed. In addition, there will be a surcharge for the reclamation of vegetable land, which can ensure the area of "vegetable lots."

The price regulatory fund and a reserve system for major commodities have been properly implemented in Guangdong. The province's price regulatory fund has risen to over 1.1 billion yuan, of which 250 million yuan has been designated for nonstaple foods. The province, cities, and counties all have reserves of grain, edible oil, sugar, fish, meat, eggs, and other major commodities. When the price fluctuates, they immediately put reserve materials on the market.

Meanwhile, Guangdong has also strengthened regulation, control, and management over market prices and has exercised direct dynamic management over commodity prices and service charges of a monopolized, compulsory, protective, and public welfare nature. The province has urged all units to clearly mark the prices for commodities and services, has exercised supervision over the prices of 25 kinds of commodities and services, has conducted general price inspections on three occasions the year, and has achieved marked progress in rectifying the price order and checking indiscriminate price hikes. In the first half of the year alone, the province abolished over 600 kinds of charges.

Guangdong has also accelerated the pace of price legislation this year. Regulations for administrative fees and education, medical, and real estate charges have been adopted. Regulations for supervision over commodity prices and service charges and for abnormal prices will also be ratified soon for implementation.

Guangdong's price increases this year can primarily be traced to structural causes and have been affected by the

state's readjustment of the purchase price of grain and edible oil. Food has seen the biggest increase, rising 27.3 percent over the same January-October period last year. The price of household electric appliances increased only 6.5 percent; electromechanical products went up 4.2 percent; and other products like fuel, building and decoration materials, medicine, and stationary, rose 10 percent.

Guangxi Honors Anniversary of Uprisings Led by Deng

OW1112141294 Beijing XINHUA in English 1353 GMT 11 Dec 94

[FBIS Transcribed Text] Baise, December 11 (XINHUA)—People from various walks of life gathered in Baise, a mountain city in south China's Guangxi Zhuang Autonomous Region, to commemorate the 65th anniversary of Baise and Longzhou uprisings led by senior Chinese leader Deng Xiaoping.

In the summer of 1929, Deng went to Guangxi as an envoy of the Communist Party of China (CPC) Central Committee and led the two uprisings along with other revolutionary leaders and opened up a revolutionary base which covered over 20 counties with a combined population of over one million.

In today's ceremony, Zhao Fulin, secretary of the CPC Guangxi Regional Committee, called on local officials to inherit and carry forward the fine traditions and work style of the older revolutionary leaders and do a good job in party building, so as to promote Guangxi's overall economic development.

Hainan Enjoys Steady Inflow of Foreign Funds

OW0912133094 Beijing XINHUA in English 1316 GMT 9 Dec 94

[FBIS Transcribed Text] Haikou, December 9 (XINHUA)—The inflow of foreign investment into this capital of south China's island province of Hainan has been gaining momentum this year, according to government sources.

An official at the city's economic co-operation bureau said that 528 overseas-invested ventures were set up in the first ten months, with pledged foreign investment totaling 1.12 billion U.S. dollars.

He noted that many of the investors were big-name financial groups and transnational companies. They had pumped in more than 399.25 million U.S. dollars by September.

According to him, industry and commerce are the major targets of foreign investment.

Of the 32 projects that have already been launched, including the Hainan Golf Club and the 100,000-ton-a-year Hainan Brewery, 26 involve more than one

million U.S. dollars each, with some absorbing as much as 100 million U.S. dollars, the official said.

He added that many investors have increased their investment here over the past few years. With an initial fund of three million yuan, a joint venture specializing in detergents has been buttressed by another 56.35 million yuan-worth of foreign investment this year.

More than 100 delegations from giant companies in Europe, North America and other parts of the world have visited Haikou to seek investment opportunities this year, the official said.

Southwest Region

Guizhou Secretary Addresses Economic Meeting

HK0912133394 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 7 Dec 94

[FBIS Translated Excerpt] At an enlarged meeting of the provincial party committee's standing committee yesterday, Liu Fangren, secretary of the provincial party committee, asked all localities and departments to fully understand the situation; to strengthen their sense of urgency; and to make up their minds to ensure the fulfillment of this year's industrial production, revenue, and taxation plans. The enlarged meeting studied the instructions of the central economic work meeting; relayed the important speeches of Jiang Zemin, Li Peng, and Zhu Rongji at the central economic work meeting; and raised proposals in light of the province's economic work.

The meeting pointed out: On the whole, Guizhou's economic situation is good, with a good agricultural harvest and a sustained trend of development. Industrial production has grown steadily and has presented an upward trend. Foreign trade has expanded. The financial situation is basically normal. Positive achievements have been made in spiritual civilization and party building. Social stability prevails throughout the province. The industrial growth rate is low, however, and economic results are bad, there is a wide gap between expenditure and revenue, and commodity prices have risen by a wide margin.

The meeting indicated: The province will set next year's economic task in accordance with the instructions of the central economic work meeting. Efforts must focus on the fulfillment of the following six major jobs: First, firmly controlling inflation; second, giving priority to agricultural and rural work; third, making a success of state-owned enterprise reform and the experiment in establishing a modern enterprise system; fourth, developing nonstate-owned enterprises; fifth, implementing the strategy of using opening up to stimulate development; and sixth, carefully formulating the Ninth Five-Year Plan.

At the meeting, Liu Fangren stressed: We must strengthen leadership, change our work style, work in

coordination, and accelerate Guizhou's economic development. We must make up our minds to fulfill this year's industrial production, revenue, and taxation plans. Leading cadres at all levels must strengthen their studies, improve their ability to size up the overall situation and the market economy, strengthen their awareness of overall interests, coordinate all Guizhou's activities, and ensure the smooth implementation of administrative orders from the central authorities. Party committees at all levels must strengthen and improve their leadership over economic work, take charge of major matters and the overall situation, and help the government with economic work. [passage omitted]

Sichuan City Reportedly Reintroduces Grain Coupons

HK0912155394 Hong Kong EASTERN EXPRESS in English 9 Dec 94 p 28

[FBIS Transcribed Text] China has reintroduced grain coupons for workers employed in ailing state industries in big cities to ensure sufficient food supplies and stave off social unrest amid the highest inflation in 45 years, officials said yesterday.

"The main aim of issuing grain coupons is to stabilize prices and to maintain social stability," said an official of the Grain Bureau in Chongqing, the sprawling industrial capital of central Sichuan province.

The government began issuing the coupons to workers in Chongqing in October and November.

Lhasa Administration College Set Up in Tibet

OW1112103294 Lhasa Tibet People's Radio Network in Mandarin 1400 GMT 9 Dec 94

[FBIS Translated Text] The Lhasa Municipal Administration College was formally established on 7 December. The college's purpose is to meet the demands of economic and political reform. The college is a basic and necessary prerequisite for carrying out the state functionary system and an important step in accelerating personnel reform in Lhasa. The college is built on the basis of the Lhasa Party School. The school will make good use of the Lhasa Party School's staff and facilities. Playing a party school role, the Lhasa Municipal Administration College will serve as an important base for studying, publicizing, and exploring the party's line, principles, and guidelines; and a major base for cultivating and training state functionaries. The college will assume the responsibility of cultivating, examining, evaluating, hiring, and promoting state functionaries of elementary and middle levels in Lhasa.

Yunnan Governor He Zhiqiang on GDP Growth

OW1012060194 Beijing XINHUA in English 0526 GMT 10 Dec 94

[FBIS Transcribed Text] Beijing, December 10 (XINHUA)—Ethnic minority autonomous regions in southwest China's Yunnan Province have been developing

rapidly in the fields of economy, culture, education, and science and technology over the last 15 years.

Their gross domestic product (GDP) and total industrial and agricultural output value in 1993 were 3.4 times and double the 1979 figures respectively, bringing a ten-fold increase in income.

According to He Zhiqiang, governor of this province, by the year 2000, the GDP is expected to double again. Per capita net income for local farmers will exceed 1,000 yuan, and social progress will be outstanding.

During the period, 100,000 ha of high-yield fields are expected to be added annually, and plans are made to build six more grain commodities bases.

Highways will be open to all the towns and townships and 70 percent of the villages, and more than 90 percent of the local households will have access to electricity supply.

The major industrial sectors of machine-building, sugar refining, building materials, cash crops, and tourism will achieve new successes.

North Region

Beijing-Tianjin-Hebei Cooperation Symposium Opens

SK0812125394 *Tianjin People's Radio in Mandarin*
2300 GMT 6 Dec 94

[FBIS Translated Text] The Beijing-Tianjin-Hebei cooperation and development symposium opened in Tianjin on 6 December. This symposium was cosponsored by the federations of social sciences, the scientific and technological associations, and the institutes of social sciences under Tianjin Municipality, Beijing Municipality, and Hebei Province.

Attending the opening ceremony were Li Shenglin, deputy secretary of the municipal party committee and executive vice mayor of the municipality; Lee Yuanpeng, standing committee member of the municipal party committee and director of the municipal propaganda department; Zhang Huanwen, secretary general of the municipal government; and veteran comrades, including Li Zhongyuan.

Li Shenglin said in his speech: It is of extremely important strategic significance in the promotion of the economic development of the Bohai rim that Beijing, Tianjin, and Hebei cooperatively accelerate the pace of opening up and development. As an industrial and commercial port city in north China, Tianjin should not only gain the continuous support of the state, as well as brotherly provinces and municipalities, but also take the road of cooperation to realize the goal of being mutually supplementary and seeking common development. (Cong Dalin), president of the China restructuring research society; and Xiao Xiangqian, senior adviser to

the development research center of the State Council, were invited to make speeches on cooperation among Beijing, Tianjin, and Hebei at the ceremony.

Four Executed in Beijing for Robbery, Rape

OW0812133394 *Beijing XINHUA Domestic Service in Chinese* 0415 GMT 7 Dec 94

[FBIS Translated Text] Beijing, 7 Dec (XINHUA)—According to information provided by the Supreme People's Court, four criminals were executed by firing squad in Beijing today for going on a rampage as they robbed Chinese nationals and raping Chinese passengers on international trains Nos. 3 and 4 plying the Beijing-Moscow line and in the Russian capital of Moscow. During first and second instance trials, the Beijing Railway Transport Intermediate Court and the Beijing Municipal Higher People's Court sentenced Niu Dun, the chief culprit in robberies committed by eight people, to death on robbery charges and deprived him of political rights for life. They also sentenced Ku Wanhe, Gu Zhiqiang, and Liu Jinpeng, the chief culprits in robberies and rapes committed by five people, to death on charges of robbery and rape and deprived them of political rights for life.

It is reported that the accomplices in these two cases were simultaneously sentenced to life in prison or given fixed-term imprisonment, with Xing Zhongshi, Qin Zhitong, and Wu Baoshun getting life imprisonment and Zhang Wenji, Li Qiuhua, Jiang Minghua, Yang Zhenchun, Zhang Baohui, and Guo Baosen landing fixed terms.

From January to July 1993, Niu Dun, an unemployed man in Beijing Municipality, got several cohorts together, and they wantonly robbed Chinese passengers on international trains running between Beijing and Moscow, and Chinese nationals in Moscow, resorting to savage and cruel means such as gas guns, daggers, and other lethal weapons to threaten, beat, and hack their victims. Over the course of six months or so, they perpetrated 14 crimes, 10 of which were on trains, robbing them of dollars, rubles, renminbi, clothes, wristwatches, and radio-cassette players worth more than 80,000 yuan. In March 1993, Niu Dun and his cohorts axed a native of Fujian in a hotel in Moscow as they robbed the latter of \$1,860. On 9 May 1993, Niu Dun, Xing Zhongshi, and Qin Zhitong boarded international train No. 3 where Niu Dun robbed Chinese passengers in a compartment of \$1,800 with a gas gun. Thereafter, Niu Dun and his cohorts entered three compartments where they robbed the passengers of \$500.

Ku Wanhe, Wu Baoshun, Gu Zhiqiang, and Liu Jinpeng, unemployed people in Beijing Municipality, jointly committed nine robberies in Moscow and on international trains from October 1992 to May 1993, during which they masked and tied up their victims. Ku Wanhe and Gu Zhiqiang each participated in four robberies, Wu Baoshun was involved in two robberies, and Liu Jinpeng

took part in eight robberies. Their booty included dollars, rubles, renminbi, and leather jackets. The amount of dollars the foursome netted was worth more than \$10,000. In October 1992, Ku Wanhe and his cohorts robbed, at knifepoint, nine Chinese nationals in Moscow of \$5,600, gold rings, gold necklaces, rubles, and leather jackets. On 23 March 1993, Ku Wanhe, Gu Zhiqiang, Wu Baoshun, and Liu Jinpeng, with knives in their hands and their faces masked, broke into the home of a Chinese national in Moscow, whom they tied up, stabbed, and robbed of \$8,000, rubles, cigarettes, a leather jacket, a gold necklace, a ring, and a wristwatch. A particularly serious instance occurred on 11 and 12 March 1993, when Ku Wanhe, Gu Zhiqiang, Wu Baoshun, and Guo Baosen gangraped a female passenger on an international train running from Beijing to Moscow, an incident which physically and mentally devastated the woman.

A responsible person of the Beijing Municipal Higher People's Court pointed out: The aforementioned two cases reflect the gravity of crimes committed on international trains running from Beijing and Moscow during a certain period. All the criminals are Chinese nationals who committed crimes against fellow citizens outside China. They colluded in many crimes, perpetrated sequentially against many people, for an extended period of time. They savagely and imperiously committed crimes in broad daylight, causing highly adverse effects at home and abroad. Six of the 13 sentenced criminals had previous criminal records.

To combat crimes on international trains and maintain public order on trains, the Beijing Municipal Higher People's Court and the Beijing Railway Transport Intermediate Court, during trials of these two cases, meted out stern punishment to "railway bandits" in accordance with the principle of rendering stiff and swift penalties according to law, thus sternly punishing in accordance with the law the chief culprits, repeat offenders, and criminals who had committed exceptionally serious crimes in the joint offenses. Meanwhile, they showed leniency in accordance with the law toward those who rendered meritorious services and confessed to their crimes truthfully according to the policy of showing leniency toward those who confess to their crimes, harshly penalizing those who deny their crimes, and taking a differentiated approach. Although he should have received capital punishment for his exceptionally serious crimes, the robber and rapist Wu Baoshun was leniently sentenced to life in prison in accordance with the law because he rendered significant services after he was brought to justice.

It is reported that these two cases adjudicated by people's courts constitute only some of the cases perpetrated on international trains and abroad. Other cases are being tried, and the criminals involved will similarly receive severe punishment.

Lung, Liver Cancer Cases Increase in Beijing

HK0912152994 Beijing ZHONGGUO XINWEN SHE
in English 1210 GMT 9 Dec 94

[FBIS Transcribed Text] Beijing, December 9 (CNS)—The illness and death rates of cancer diseases attacking Beijing residents are predicted to grow year by year in the decade from 1991 to 2001. By 2001, lung cancer cases will top the chart of these fatal diseases while liver cancer cases will be the second in this Chinese capital, according to a prediction concluded by the Beijing Research Institute of Prevention and Treatment of Tumour.

It is forecasted that liver cancer cases will, surpassing the stomach cancer by 2001, take the second place while cases of intestine cancer and pancreas cancer will also move up the chart. Among these cases, lung cancer cases suffered by both men and women will increase in the most rapid way.

The above conclusion is based on the Institute's forecast, according to which, the illness rate for cancer diseases in downtown of Beijing will rise from 162 per 100,000 people in 1991 to 180 per 100,000 people in 2001 whilst the death rate will also rise from 126 to 131 per 100,000 cases. The number of these two types of cases now is also on the rise in the capital's suburban areas.

The death rate of lung cancer cases in the suburban areas is rising significantly with the death figure doubling in the last ten years.

Inner Mongolia Secretary Inspects Units

SK1212100894 Hohhot NEIMENGGU RIBAO in
Chinese 29 Nov 94 p 1

[By reporter Chen Li (7115 0500): "Leaders of Regional Party Committee Travel Separately to Grass Roots To Conduct Investigation and Study"]

[FBIS Translated Excerpt] Members of the regional party committee recently travelled deeply to the grass roots to conduct investigations and studies in an effort to implement the guidelines of the "decision" of the Fourth Plenary Session of the 14th CPC Central Committee in line with the reality, and to promote party building and the development of all undertakings.

After the tenth enlarged plenary session of the fifth regional party committee had made a comprehensive plan for implementing the "Decision of the CPC Central Committee Concerning Several Major Issues on Strengthening Party Building," members of the standing committee of the regional party committee travelled respectively to enterprises as well as rural and pastoral areas in seven leagues and cities to learn about their situations in party building, structural reform, economic development, and the building of spiritual civilizations in various localities; they guided them to conscientiously implement the decision of the Fourth Plenary Session of

the 14th CPC Central Committee and views of the regional party committee, and to successfully carry out the various current tasks.

Liu Mingzu, secretary of the regional party committee, travelled separately to the Ulanqab and Xilin Gol Leagues as well as to seven banners, counties, and cities to conduct on-the-spot inspections in a number of models that succeeded in restoring the ecological balance and in integrating cultivation with the breeding and processing industries as well as the fodder grass and animal-feed bases. He also travelled to peasant households and yurts to hold talks with peasants and herdsmen as well as grass-roots cadres, and studied the enterprise reform issues with enterprise leaders. Liu Mingzu repeatedly stressed: It is necessary to implement the principle of emancipating thinking and seeking truth from facts during the entire course of work, and to persist in unifying the two. It is not realistic to do our work without undertaking a correct method, or not to implement the method we have in places where they are needed. None of the two can be dispensed with. In implementing the guidelines of the fourth plenary session, all localities should proceed from the reality and implement the work at various levels. Leagues, cities, banners and counties, sumu, townships and towns, gacha, and villages should have their own priorities. It is necessary to discover their real situations, do a good job in working out plans, set targets, formulate measures, define responsibility, and pinpoint the priorities. As far as the league and city party committees are concerned, they should enhance the ideology that the party must manage party affairs and must do a good job in devising plans and grasping the building of leading bodies of banner and county party committees; in the case of banner and county party committees, they should strengthen investigation and study, should uphold democratic centralization and the mass line, should attend to building grass-roots organizations, should train cadres, should select good successors, and should pay attention to recruiting party members from the forefront so as to solve the aging problem of party members. In short, all levels should have their own priorities, firmly implement them, seek more actual effects, and never practice formalism. Liu Mingzu also offered specific views on deepening reform in rural and pastoral areas and on improving financial difficulties.

Wu Liji, deputy secretary of the regional party committee and chairman of the regional government, also successively travelled to an Inner Mongolian chemical fertilizer plant and oil refinery to inspect their work. He said: In line with the work priorities of the state on concentrating energy on successfully running state-owned large and medium enterprises next year, all localities and departments should seize the opportunity, make plans early, set their subordinate large and medium enterprises in the order of priorities, suit the remedy to the case, operate the newly established enterprises in line with the modern enterprise system, and

make large and medium enterprises give play to their due economic and social efficiencies. [passage omitted]

Inner Mongolia Economic Achievements Reported

SK1212084394 Hohhot Inner Mongolia People's Radio Network in Mandarin 1100 GMT 11 Dec 94

[First in a series of six unattributed news summaries on the region's five-year economic achievements: "The National Economy Achieves Sustained Development and Economic Strength Becomes Obviously Stronger"]

[FBIS Translated Text] According to the data provided by the autonomous regional statistical bureau, over the past five years since the fifth autonomous regional CPC congress, the region has maintained a good trend of sustained development in the national economy, and its economic strength has become obviously stronger. The comprehensive productive capability of primary industry has entered a new stage; the secondary and tertiary industries have accelerated their pace in development. Investments made in fixed assets have achieved marked results.

Over the past five years, the GNP of the region as a whole has increased from 29.4 billion yuan in 1989 to 60.7 billion yuan in 1994. The yearly average increase is 9.5 percent. Per capita GNP has increased from 1,384 yuan in 1989 to 2,681 yuan in 1994, showing a 47.9 percent increase. The local financial revenue of the region as a whole has increased from 2.867 billion yuan in 1989 to 6.2 billion yuan in 1994, showing a 1.2-time increase. The region's self-supporting rate in finance has increased from 51.4 percent to 66 percent in 1994. All of these have enabled the region's position among various provinces, municipalities, and autonomous regions across the country to continuously increase. The region's population quality, public health, health care, and public security have entered the front row of the country as a whole. Its environmental conditions, economic development, labor employment, social security, culture, and physical culture and sports have been at the medium level.

Over the past five years, the comprehensive productive capability of primary industry has entered a new stage. The agricultural added-value of the region as a whole has increased from 8.9 billion yuan in 1989 to 15.4 billion yuan in 1994, showing a 45.6 percent increase. The region has consecutively reaped a bumper grain harvest over the past five years. Over the past three years, the region has consecutively reaped a grain harvest of more than 10.1 billion kg. Despite the more serious natural disasters this year, the region's total grain output has still reached 10.3 billion kg; that is the second highest grain yield in the region's history. The region's per capita grain output has reached 410 kg; the region is self-supporting and has a surplus in this regard. The production of animal husbandry has consecutively reached the best levels in the region's history. The total number of animals in the livestock fiscal year has been stabilized at 55

million head. By the end of June this year, the region's total number of animals reached 57 million head, showing a more than 4 million head increase over 1989. Over the past several years, the region's output of major animal by-products has been in the front row of the country as a whole. The structure of a relatively single-product economy in rural and pastoral areas, which is achieved mainly with the planting and livestock undertakings, has been gradually replaced with a new pattern in which an overall development among agriculture, industry, power industry, transportation, and commerce, has taken shape.

While the comprehensive productive capability of primary industry has gradually become stronger over the past five years, the secondary and tertiary industries in the region as a whole have maintained their trend of stable development. During the five-year period, the added value of secondary industry has increased from 9.896 billion yuan in 1989 to 23.4 billion yuan in 1994, showing a 64.3 percent increase. The added value of tertiary industry has increased from more than 10 billion yuan in 1989 to 21.9 billion yuan in 1994, showing a 61.3 percent increase. In particular, the speed of building the projects of basic industries, such as energy resources and raw materials on the secondary industrial front, has been steadily accelerated. As compared between 1989 and 1993, the output of raw coal, power, steel products, and timber showed an increase on a larger scale. Judging from the internal sectors of tertiary industry, the undertakings of the region as a whole in the fields of communications and transportation, post and telecommunications, scientific research, and banking and insurance have achieved rapid development. In particular, construction projects for bottleneck industries—such as communications, transportation, and post and telecommunications—that once restricted the development of the national economy have now achieved faster development. The proportion of tertiary industry in the 1994 GNP has been 36.1 percent. Through investments made in fixed assets over the past five years, and according to state policies on industries and the demands set by the autonomous region for economic development, localities across the region have obviously reinforced their reserve force in economic development by actively readjusting their industrial structure and accelerating their pace in building key projects. The investment made in fixed assets by the entire region and society in 1993 totalled 21.74 billion yuan, showing a 2.3-time increase over 1989. Of this investment, that made in capital construction totalled more than 13.3 billion yuan, showing a 2.5-time increase over 1989. The investment made in technical renewal and renovations totalled 4.8 billion yuan. Fixed assets newly cropping up among the capital construction projects were worth more than 6.7 billion yuan, showing a 1.9-time, or more than 85 percent increase, over 1989. Over the past five years, the accumulated investments made in fixed assets by the entire region and society have totalled 79.8 billion yuan, and

the number of completely-built projects of various categories has reached more than 6,000. In particular, the successive construction and application of a large number of key projects have enabled the region's social productive capability to greatly become strong, and have vigorously reinforced the region's reserve force in economic development.

Tianjin Secretary Stresses Economic Work

SK0912060194 *Tianjin People's Radio in Mandarin*
2300 GMT 8 Dec 94

[FBIS Translated Text] In his speeches delivered at the enlarged standing committee meeting of the municipal party committee held recently and at the meeting of party-member leading cadres at or above the district and county levels held on 8 December, Gao Dezhan, secretary of the municipal party committee, pointed out: The current central economic work conference is an extremely important conference that is of great guiding significance in making us correctly understand the current situation, in further unifying the whole party's ideas and understanding of the major issues related to the overall situation, in continuously pushing forward reform and opening up, and in effecting a sustained, rapid, and sound development of the national economy. The guidelines of the central economic work conference should be conscientiously studied and profoundly comprehended by the whole party and should be resolutely incorporated to all items of practical work.

At the meeting of party-member leading cadres at or above the district and county levels, Gao Dezhan and Zhang Lichang respectively relayed the important speeches made by Comrade Jiang Zemin and Comrade Li Peng as well as the summing-up speech made by Comrade Zhu Rongji. Attending the meeting were Li Jianguo, deputy secretary of the municipal party committee; and Li Shenglin, deputy secretary of the municipal party committee and executive vice mayor of the municipality.

Gao Dezhan pointed out in his speech: Conscientiously studying and implementing the guidelines of the important speeches by central leading comrades is of an extremely great significance in guiding us to correctly understand and control the situation, to successfully do economic work in the next year and even later, and to appropriately handle the relations between reform, development, and stability.

Gao Dezhan said: The guiding ideology and all the tasks set forth by the central economic work conference should be comprehensively implemented in line with Tianjin's realities. To this end, attention should be paid to the following five aspects:

First, we should actually orient the economic work of the whole municipality to the orbit of improving economic efficiency and should focus our efforts on improving the quality and efficiency of economic growth.

Second, we should consciously safeguard the authority of the central authorities, should carry out all the measures adopted by the CPC Central Committee and the State Council to strengthen and improve the overall regulation and control, and should resolutely check inflation and control the margin of price hikes. We should also attend to the work of controlling the overly rapid increase in consumption fund and the scale of fixed assets investment.

Third, we should wholeheartedly deepen the reform of state-owned reform.

Fourth, we should truly put agriculture in the first place of agriculture and actually strengthen agriculture and rural work.

Fifth, we should further expand the scale of opening up and make even better use of foreign funds.

Gao Dezhan added: At present, we should pay attention to three things. First, we should conscientiously study documents, profoundly comprehend guidelines, enhance our understanding, and truly bring our ideas into line with the guidelines of the central authorities. Second, we should conscientiously study and arrange for the next year's economic work for respective localities and departments in line with the guidelines of the central economic work conference. Third, we should conscientiously attend to the work in the last month of this year to ensure the comprehensive fulfillment or overfulfillment of various targets and tasks of this year. In particular, we should adopt effective measures to stabilize market prices and control price hikes. The New Year's Day and the Spring Festival will arrive soon. We should pay attention to market supply, actually make good arrangements for the daily life of the people, poor workers and masses in particular. All localities, departments, and units should strictly control the holding of summing-up meetings and commendation meetings of various kinds and should on no account issue unwarranted bonuses and subsidies. The hasty and lavish case issuance at the end of the year should be strictly forbidden. The issuance of gift in cash and cards and purchase cards under any pretense should not be allowed.

Gao Dezhan said in conclusion: We should even more closely rally around the CPC Central Committee with Comrade Jiang Zemin as the core. We should conscientiously implement the guidelines of the 14th National CPC Congress, the third and fourth plenary sessions of the 14th CPC Central Committee, and the central economic work conference under the guidance of Comrade Deng Xiaoping's theory on building a socialism with Chinese characteristics and the party's basic line. We should unite and guide all the people in the municipality to develop the current good situation and to work hard for fulfilling the magnificent objective of making the municipality prosperous and the people affluent and enabling the people to lead a comfortable life and for again creating a brilliant Tianjin.

Tianjin Sets Record in Using Foreign Capital in 1994

SK1112040694 Tianjin People's Radio in Mandarin 2300 GMT 10 Dec 94

[FBIS Summary] This year, Tianjin Municipality set a historical record in using foreign capital. As of November, 1,800 foreign-funded enterprises were established in the municipality. Some \$4.3 billion were invested in these enterprises. Of this, the investment by foreign traders reached \$3.33 billion, an increase of 56 percent over the same period of last year. This growth rate ranks Tianjin first in the whole country. More than \$1 billion foreign capital has been put in place. Since the beginning of this year, more than 40 transnational companies have invested in Tianjin and the number of large projects each involving \$5 million has surpassed 500.

Tianjin Industrial Output Rose Jan-Nov

SK0812125194 Tianjin People's Radio in Mandarin 2300 GMT 7 Dec 94

[FBIS Translated Summary] In the first 11 months of this year, the added value of the industries at or above the township level increased by 15.41 percent over the corresponding period of last year and the total industrial output value increased by 18.3 percent over the same period of last year.

Northwest Region

Gansu Secretary Addresses Economic Meeting

HK0912133494 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 7 Dec 94

[FBIS Translated Excerpt] In Lanzhou yesterday afternoon [7 December], the provincial party committee held a meeting for party, government, and military leaders, during which the important speeches of Jiang Zemin, Li Peng, and Zhu Rongji at the central economic work meeting were relayed. Yan Haiwang, secretary of the provincial party committee, presided over the meeting. [passage omitted]

Two days ago, the provincial party committee held an enlarged standing committee meeting to study the instructions of the central economic work meeting, and to discuss measures for implementing these instructions. At yesterday's meeting, Yan Haiwang reported on the province's economic situation, and made an important speech on implementing the instructions of the central economic work meeting.

Yan Haiwang said: Before implementing the instructions of the central economic work meeting, the first thing is to conscientiously study the instructions and unify our understanding on the basis of these instructions. There is a need to correctly appraise the situation, to fully understand inflation, to handle correctly the relations between maintaining economic growth and controlling inflation, to urgently resolve inflation, to put agriculture in the first

place in economic work, to take effective measures for an increase in agricultural investment, to deepen economic structural reform with focus on state-owned enterprises, to improve large and medium-sized state-owned enterprises, to switch the focus of economic work to improving economic growth and results, and to conscientiously implement all macroeconomic control and regulatory measures formulated by the central authorities.

In his speech, Yan Haiwang also analyzed Gansu's economic situation, pointing out: Viewed from the economic operational trend, the development of reform and construction is healthy throughout the province, and the situation is good on the whole, but there are also many problems and difficulties.

Concerning these problems and difficulties, Yan Haiwang stressed: At present, we must organize industrial production and transportation properly, help enterprises resolve their prominent problems in production and operation, and ensure the fulfillment of this year's production plan. We must pay attention to revenue, to clearing arrears of tax payments, and to strengthening management over tax collection. [passage omitted]

In particular, we must resolve problems concerning shopping baskets and rice bags, and must make good market arrangements during the Spring Festival. We must strictly control the increase in the consumption fund, strengthen our management over wages, and strictly forbid the arbitrary issuance of bonuses.

Concerning next year's economic work, Yan Haiwang said: First, we must make great efforts to control inflation; second, we must pay attention to grain production; third, we must improve state-owned enterprises and deepen enterprise reform; fourth, we must formulate the Ninth Five-Year plan; and fifth, we must introduce institutional reform.

Senior General [da jiang] Cao Pengsheng, political commissar of the Lanzhou Military Region, also spoke at the meeting, saying: The military region will implement the instructions of the central economic work meeting, and will make full efforts to support Gansu's economic construction.

Qinghai Upgrades Agriculture; Reaps 'Bumper' Harvest

OW1012062694 Beijing XINHUA in English 0552
GMT 10 Dec 94

[FBIS Transcribed Text] Xining, December 10 (XINHUA)—Northwest China's Qinghai Province has reaped its seventh straight bumper harvest in spite of severe drought, thanks to efforts at upgrading its agricultural production conditions.

With a high elevation, Qinghai suffers from drought and frigid conditions, major obstacles in its agricultural production.

Han Chang, director of the provincial water-control department, said that the province has invested two billion yuan in water conservancy construction, with more than 5,000 water-control projects having been set up.

"Three newly-established irrigation networks cover an area of 243,000 ha," he said, adding that "two-thirds of the province's total grain output is achieved there".

Since the 1980s, the province has earmarked an annual investment of six million yuan for containing soil erosion, the loss of water and expanding use of uncultivated slopes.

Some 133,000 ha of wasteland have been transformed into terraced fields, and forested areas on isolated hills have topped 200,000 ha. Also, 5,000 square of land in small valleys have been coaxed to yield increased grain output of more than 300 million kg.

According to Han, large-scale comprehensive agricultural development started in the province in 1990. The first-phase has ended, involving a total investment of 170 million yuan.

The local government also attributed the consecutive good harvests to the application of science and technology.

The province now has 240 agro-technology centers and more than 100,000 agro-technicians.

National Personnel Fair Opens in Xian

OW1112133494 Beijing XINHUA in English 1319
GMT 11 Dec 94

[FBIS Transcribed Text] Xian, December 11 (XINHUA)—A national personnel fair opened here today, with the aim of selecting 100 university graduates to be sent to Tibet as part of the effort by the state to help local people prosper.

The fair will also select 1,000 people from the 1995 graduates to serve as reserves for leading organs of county level public security departments and quite a number of college graduates for 100 key state institutions and the armed forces.

The fair, jointly sponsored by the Ministry of Personnel and Shaanxi Province, is attended by 106 delegations nationwide and more than 150 institutions of higher education.

At the opening ceremony, the fair received quite a number of people who volunteer to work in Tibet. Many students from northwest China Agricultural University, and universities in Jilin and Jiangsu have applied for work in Tibet.

The fair is scheduled to end tomorrow.

'Over 300' Killed in Xinjiang Fire*OW0912141794 Beijing XINHUA Domestic Service in Chinese 1324 GMT 9 Dec 94*

[FBIS Translated Text] Urumqi, 9 Dec (XINHUA)—A big fire broke out at the Friendship Hall in Karamay, Xinjiang, around 1830 [1030 GMT] on 8 December. Over 300 primary and middle school students watching a theatrical performance were burned or suffocated to death, and more than 100 others suffered injury.

The party Central Committee and State Council are extremely concerned about the incident and immediately appointed Xu Zhijian, deputy secretary general of the State Council, to lead comrades in charge of departments concerned to rush to Karamay to comfort the victims' families, visit with the injured, appropriately handle problems arising from the incident, and investigate the cause.

Wang Lequan, acting secretary of the Xinjiang Uygur Autonomous Regional CPC Committee, and Abdulahat Abudurixit, chairman of the regional government, rushed to Karamay this morning to organize and direct rescue operations and deal with problems arising from the incident.

As of now, the injured people have all been escorted to hospitals for emergency treatment. The cause of the incident is under investigation, and personnel responsible will be sternly dealt with in accordance with the law.

Authorities Confirm 311 Deaths*HK1212071294 Beijing ZHONGGUO XINWEN SHE in Chinese 1058 GMT 10 Dec 94*

[By correspondent Liu Feng (0491 2800) and reporter Li Dehua (2621 1795 5478)]

[FBIS Translated Text] Karamay, 10 Dec (ZHONGGUO XINWEN SHE)—In the two days since the disastrous fire on the afternoon of 8 December, Karamay, where the first big oilfield was discovered after the founding of new China, has been permeated with deep sorrow. As of the filing of this report, 311 deaths and 129 injuries, including 67 serious injuries, have been confirmed.

All bodies of the dead were identified; most victims were primary and secondary school pupils and their teachers and schoolmasters.

According to the initial investigation, the fire was caused by sparks from a faulty wire in the ceiling of the stage. When the fire began, people could only escape from a small door behind the stage and the front gate of the cinema. All other doors could not be opened. This prevented more than 1,000 people inside the cinema from escaping in good time.

At the critical moment of the fire, the schoolmasters and teachers on the spot expressed their high sense of responsibility. Zeng, headmaster of Number One Middle School, said that she could not leave if her students could not get out. Mao Mingxin, deputy headmaster of Number Six Primary School, pushed two pupils out of the cinema, but her own child failed to escape. Tang, a teacher from Number Six Primary School, desperately pushed 12 student performers out of the cinema, but she was killed in the fire.

Beginning on the afternoon of 9 December, the group headed by Wang Lequan, acting secretary of the Xinjiang regional party committee, and Abdulahat Abudurixit, chairman of the regional government, and the group sent by the central government and headed by Xu Zhijian, deputy secretary general of the State Council, separately called on wounded people and families of the dead and expressed sympathy and solicitude for them.

It is learned that Friendship Hall cinema, where the fire happened, was a meeting hall built in the 1950's. The building was refurbished last year, but the project did not strictly follow fire prevention regulations. This morning, Acting Secretary Wang Lequan openly said that those who bore responsibility for the fire would certainly be brought to justice and be punished severely.

At present, more than 160 medical workers of 14 rescue teams from various places are working intensively to rescue the wounded people.

It is learned that the insurance company has begun to arrange compensation for the victims.

Officials on Fire Investigation*HK1112073894 Hong Kong AFP in English 0635 GMT 11 Dec 94*

[FBIS Transcribed Text] Beijing, Dec 11 (AFP)—Authorities in the northwestern town of Karamay continued Sunday to investigate who was responsible for an inferno that killed 311 people and left residents of the "Oil City" in shock, officials said.

A local government official said all the dead, most of whom were between the ages of eight and 12, had now been located. Those injured numbered 129, with 67 in a serious condition. "It is hard to say who is responsible, we have to conduct investigations," said the official by telephone from the remote town in Uygur Moslem-majority Xinjiang province.

The fire broke out Thursday [8 December] evening in the Soviet-built Friendship Cinema as some 1,000 schoolchildren, teachers and parents watched a song and dance performance to welcome a visiting education inspection team. Blocked exits in the cinema have been blamed for the high death toll, prompting the Chinese government Friday to order a nationwide security check on public places and to warn that any which did not comply with security regulations would be closed immediately. The

fire came just 10 days after a blaze in a discotheque in the northeastern town of Fuxin killed 233 people, highlighting China's dismal fire-safety standards.

Wang Lequan, acting secretary of the Xinjiang communist party, has called for severe punishment for those responsible for the Karamay blaze.

China News Service's (CNS) Xinjiang correspondent Li Dehua said by telephone that the cinema management "did not strictly respect fire prevention standards" when refurbishing the 40-year-old establishment last year. Li said the town of some 250,000 people—mostly workers on the local oil field—had been in a state of "great sorrow" in the days since the fire, which has put severe pressure on local hospitals. Some 160 doctors from 14 units, including those in Xinjiang capital Urumqi and nearby cities, had been brought in to help take care of the victims, he said.

The government official said that all families who lost children would receive compensation from insurance companies, but added that the amount would not be set until the investigation was completed.

The fire broke out when sparks from an apparent electrical short circuit set fire to the stage curtains. Only two doors—one small one behind the stage and the main door at the entrance—were reportedly open at the time, creating panic as people were unable to find their way out as the cinema roof collapsed.

XINHUA Roundup of Xinjiang Cotton Production
OW1112120994 Beijing XINHUA Domestic Service in Chinese 2111 GMT 9 Dec 94

[Article by XINHUA Reporter Li Dadong (7812 1129 2639): This Is An Opportunity—A Roundup of Xinjiang's Cotton Production Situation]

[FBIS Translated Text] Urumqi, 10 Dec (XINHUA)—Cotton alone has invigorated Xinjiang's rural economy as a whole.

The income of Tuoyibaoledi township north of Taklimakan Desert from cotton harvest alone exceeded 100 million yuan this year. The per-capita net income of peasants and herdsmen in a number of counties and cities, including Shaya and Awat, has risen to around 800 yuan due to good cotton harvests there. The 1994 income of Aksu Prefecture from ginned cotton, cotton seeds, cotton seed oil, oil dregs, linters and other cotton products will exceed 1.5 billion yuan, equal to its total 1990 agricultural output value. In recent years, unprecedented economic returns have been achieved from cotton production in Kashi, Hotan, Changji, Shihezi, Turpan, and a number of farms of the Xinjiang Production and Construction Corps. In 1985, Xinjiang's total cotton output was 188,000 tonnes, with a total output value of 702 million yuan. In 1994, its total cotton output and output value are expected to be 830,000 tonnes and more than 9 billion yuan respectively; and

the actual net income of cotton growers is expected to be 5.5 or 6 billion yuan. At present, Xinjiang has become China's largest cotton growing area, with cotton production becoming the region's no. 1 pillar industry, and its total cotton output value has exceeded its total petroleum output value. Some of its poor counties and townships have become fairly well-off in as little as two to three years by relying on the development of cotton production. According to some people, Xinjiang's agriculture was never so full of vitality as it is now.

What is Xinjiang's strength? It has 300 million mu of cultivated and arable land, accounting for about one fifth of China's total cultivated and arable land. With very good sunshine and temperature conditions, it has great potential for producing superior agricultural products. Its existing irrigation facilities are suitable to a high degree of intensive and mechanized farming. After many years of practice, the Xinjiang people have shifted their attention back to the land right under their feet, from the secondary and tertiary industries which are very successful in coastal provinces and regions. Wang Lequan, acting secretary of the autonomous regional party committee, has pointed out even more clearly and definitely that the way for Xinjiang's peasants and herdsmen to become fairly well-off lies in agriculture. Therefore, Xinjiang has naturally seized the opportunity of cotton production.

Since the autonomous region successfully stabilized its grain production with such macroeconomic regulation and control means as "supplementing grain production with cotton production," it has gone all out to develop cotton production. It is doing all it can to support cotton production in all stages of cotton growing and in materials, funding, and technical service. Over the last few years, Xinjiang has increased its cotton output and relevant economic returns by a big margin and has rapidly turned the good cotton market opportunity into actual revenue.

The seizure of the opportunity has even changed the progress and pattern of overall economic operations. Over the last two to three years, cotton has laid a foundation for the development of Xinjiang's rural economy and for many peasants and herdsmen to become fairly well-off. Cotton production has become the most vigorous aspect of the rural economy in most parts of Xinjiang. With the development of cotton production, the capital fund flow, cotton textile industry, processing industry for oil-bearing crops, the production of farm machinery and agricultural capital goods, and service trades for agriculture have been invigorated, forcefully improving the autonomous region's industrial production. Both the cotton-related upstream industries and down-stream industries have rapidly grown in strength. According to an expert's analysis, if the development trend of cotton production continues for several more years, peasants and collectives at various levels will surely invest their accumulated funds in other trades in addition to cotton production, and this will lead to the

development of secondary and tertiary industries which have so far failed to make any major progress despite long-term efforts in Xinjiang. Cotton production will give rise to more development opportunities.

Cotton production is of a more practical and far-reaching significance to Xinjiang's peasants. In Xinjiang, there are tens of thousands of peasant families each growing more than 50 mu of cotton. If the net per-mu profit is 500 yuan, the net income of each family from cotton alone will be 25,000 yuan a year, enough to thoroughly improve the economic situation of the family. This reporter has met many peasants whose families grow more than 100 mu of cotton each. In Aksu, Hotan and Kashi, there are families each growing more than 1,000 mu of cotton. A contingent of cotton growers known as "western farm owners," each with an accumulated fund ranging from several hundred thousand yuan to more than a million yuan, is growing rapidly.

Some people are worried that the good cotton sales may not last long, and that people in Xinjiang could suffer big losses once demand drops and competition is intensified. In fact, the policy-makers in Xinjiang have considered such a possibility from the very beginning. While seizing the present opportunity to expand the area of cotton crops, Xinjiang has constantly enhanced its ability to resist competition. Its efforts include a large amount of scientific and technological investment, the development of new varieties and new technology, a constant increase in the degree of mechanization and the degree of larger-scale operation, and major developments in cotton-related upstream and down-stream industries. Its cotton production is enjoying increases in the total area of crops, gross output, per-unit-area output, and added value, as well as improved quality and

enhanced economic efficiency; and has attained the advanced standards of the country and become an adequate trade with a fairly strong competitive power.

Xinjiang Finds Success in Raising Red Deer

*OW1112133394 Beijing XINHUA in English 1323
GMT 11 Dec 94*

[FBIS Transcribed Text] Urumqi, December 11 (XINHUA)—Tarim reclamation area in northwest China's Xinjiang Uygur Autonomous Region has been highly successful in artificially raising red deer that has been listed as an endangered species.

The area has now more than 5,500 head of red deer, bringing an annual output of 5.2 tons of pilose antler.

Wild red deer usually live on the lower reaches of the Tarim river and the Kongque (Peacock) river in the region. With the source drying up, the high-quality variety has been disappearing.

At the beginning of the 1980s, 15 deer farms were set up, with a total coverage of 110,000 square metres, in order to protect the survivors and upgrade deer raising technology.

Thanks to years of efforts, the survival rate of reproduction has now reached 76.7 percent, up 19.7 percent from 1986. An adult male deer can produce 2.54 kg of pilose antler on average, up 21 percent.

A research institute for comprehensive development of red deer has been established. The country's largest deer raising base is well under way. And local government has planned to introduce foreign funds to develop the industry.

SEF Postpones Cultural, Educational Trip to China

OW1212063294 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 10 Dec 94

[From the "Hookup" program]

[FBIS Translated Text] A cultural and educational delegation assembled by the Straits Exchange Foundation [SEF] from members of the ruling party and the two opposition parties, which was scheduled to visit Mainland China next Monday [12 December], will not be able to depart on schedule because the Association for Relations Across the Taiwan Strait [ARATS] has not only failed to respond to the SEF regarding the delegation's itinerary, but has also set new prerequisites in its reply for organizing activities in connection with the trip.

The new prerequisites set by ARATS require that the delegation head—SEF Deputy Secretary General Li Qingping—first set specific agenda upon his arrival in Mainland China and discuss them with his ARATS counterpart and with advisers and experts from the two organizations regarding cultural, educational, and scientific and technological exchanges mentioned in the joint press release on the Chiao-Tang talks in Taipei, as well as the resolution of substantive cross-strait issues, including visits to Taiwan by people from Mainland China and (the improvement of work efficiency), before ARATS will arrange relevant activities.

Commenting on the ARATS reply, SEF Deputy Secretary General Li Qingping noted: The cultural and educational delegation is purely an observation trip. The ARATS action is unquestionably a case of putting the cart before the horse, which intentionally complicates things. The SEF, which regrets this deeply, maintains that substantive cross-exchange issues can be discussed during institutional consultations between the two organizations. They need not be put on the negotiating table using this cultural and educational trip as a pretext. It has been confirmed that the delegation has delayed its trip. The Mainland Affairs Council will make a final decision on whether to cancel the trip.

Trade Reliance on Mainland Rising To 'Alarming Level'

OW1212093194 Taipei CNA in English 0840 GMT 12 Dec 94

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Dec. 12 (CNA)—Mainland China has become Taiwan's largest source of trade surplus and its second largest export market, the Board of Foreign Trade (BOFT) said Monday [12 December].

The trend indicates that Taiwan's foreign trade remains unbalanced and its reliance on the mainland market has continued to rise to an alarming level, BOFT officials noted.

Taiwan exports to the mainland well exceeded US\$12 billion in the first 11 months of this year, the officials said, adding the amount was second only to Taiwan's shipments to the United States. Most Taiwan exports to the mainland were transshipped via Hong Kong because Taiwan still bans direct trade with the mainland.

During the 11-month period, Taiwan posted a trade surplus of about US\$18 billion with Hong Kong, and this surplus mainly came from indirect trade with the mainland, the officials noted.

If the trend continues, the officials said, Taiwan's trade surplus with the mainland may top US\$20 billion by year's end.

Taiwan registered a surplus of US\$6.99 billion in its overall foreign trade between January and November, and its overall annual trade surplus is estimated at about US\$8 billion.

Without its huge trade surplus with Mainland China, the officials said, Taiwan would have incurred a deficit in its overall external trade.

An exodus of labor-intensive Taiwan companies to the mainland has helped boost Taiwan exports to the mainland, particularly synthetic fibers, industrial-use fabrics, yarns, machinery and electronics parts, the officials said.

As Mainland China's manufacturing industries have grown rapidly in recent years because of huge foreign investments, the officials said, its demand for Taiwan raw materials and parts will decline gradually in the years ahead. In view of this trend, the officials said, local manufacturers should invest more in research and development, accelerate technological upgrading and diversify export markets.

Envoy Views Multi-Party System Establishment

OW1012075994 Taipei CNA in English 0643 GMT 10 Dec 94

[By Bill Wang]

[FBIS Transcribed Text] Washington, Dec. 9 (CNA)—Taiwan's recent mayoral and gubernatorial elections indicate that a multi-party system has been firmly established on the island, according to the Taipei representative here.

Benjamin Lu made the remarks earlier this week while speaking to a group of China experts at the invitation of Douglas Paal, president of the Asia-Pacific Policy Center, on the Dec. 3 elections in which the ruling Kuomintang won the governorship of Taiwan and the mayoral race in Kaohsiung but lost to the opposition Democratic Progressive Party in the mayoral race in the largest city of Taipei.

In the elections where the KMT won 52.05 percent of the vote against 39.42 percent for the DPP, Lu said, the

voters apparently chose to maintain the status quo in the hope that progress can continue in a stable environment.

Meanwhile, Lu went on, the election of Sung Chu-yu, who was born on the Chinese Mainland, as Taiwan governor shows that the difference between the so-called mainlanders and native Taiwanese has blurred.

It is clear, Lu concluded, most of the people on Taiwan remain in favor of China's eventual reunification instead of seeking an independent Taiwan.

Among those present were Richard Solomon, president of the Institute of Peace, and Ezra F. Vogel of the National Intelligence Council.

Export Exchange Settlements Hit 'All-Time' High *OW0912143694 Taipei CNA in English 1410 GMT 9 Dec 94*

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, Dec. 9 (CNA)—Taiwan's foreign exchange receipts from exports fueled by the continued worldwide economic recovery, hit an all-time single-month high of US\$9.36 billion in November, the Central Bank of China (CBC) said Friday [9 December].

Meanwhile, central bank officials pointed out, Taiwan spent US\$8 billion on imports last month, marking a 25-month high.

CBC statistics show that export exchange settlements totaled US\$90.13 billion during the first 11 months of the year, higher than the US\$8.79 billion registered for all of 1993.

The 11-month figure also represented a new record for a year and broke the US\$90 billion mark for the first time, the officials noted.

Import exchange settlements amounted to US\$74.67 billion during the 11 months, leaving a balance of US\$15.44 in favor of Taiwan, they elaborated.

Taiwan's strong export competitiveness on the international market was among the major factors pushing up the export exchange settlements, they said.

Taiwan exports have seen double-digit growth each month since September, including a single-month record of US\$9.47 billion in November.

Textiles Reported as Leading Export

OW1012142494 Taipei CNA in English 1244 GMT 10 Dec 94

[By Flor Wang]

[FBIS Transcribed Text] Taipei, Dec. 10 (CNA)—Taiwan textile exports and imports hit US\$11.43 billion and US\$2.67 billion in the first 10 months of the year,

leaving the nation with a surplus of US\$8.76 billion, the Taiwan Textile Federation (TTF) said on Saturday [10 December].

The export amount was 14 percent higher from a year ago, making the textile industry Taiwan's leading export business, outperforming the electronics, machinery, information, and telecommunications industries, the TTF said.

Fifty-six percent of the textile exports, worth US\$6.43 billion, were gray goods, while garments and yarn made up 18 percent and 14 percent of the textile exports, respectively.

Meanwhile, the import amount represented a 15 percent increase compared with the same period last year.

Garments posted the biggest growth rate of 39 percent. Hong Kong, Italy, South Korea, Japan and Thailand were the major garment import sources, in that order. Imports from South Korea, Hong Kong, and Italy rose by 73 percent, 55 percent and 36 percent, respectively, the TTF said.

Overseas Financing, Technical Aid Projects Approved

OW1012080994 Taipei CNA in English 0721 GMT 10 Dec 94

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, Dec. 10 (CNA)—The International Economic Cooperation Development Fund (IECDF) under the Ministry of Economic Affairs on Saturday [10 December] approved a series of financing and technical assistance projects to developing countries friendly to Taiwan.

Approved loan projects included US\$5 million to the Philippines for re-financing food processing and agricultural machinery industries, US\$5 million to Bolivia for a housing program and US\$10.5 million to Paraguay for the development of the Oriental Industrial Complex, an IECDF spokesman said.

In addition, the spokesman pointed out, the US\$15 million loan previously provided to Costa Rica for sub-loans to small and medium enterprises (SMEs) will be used for the small-farm development plan.

Among the technical aid projects are a donation of US\$300,000 to El Salvador and Honduras for studies on the feasibility of electricity supply linkups between the two countries, dispatching experts to help Argentina's SMEs under a budget of US\$400,000, and giving a helping hand to Vietnam's study on Hanoi's road construction project under a budget of US\$550,000, he elaborated.

The fund also decided to send financial experts to work together with the European Bank for Reconstruction and Development on a re-financing project for SMEs in East

Europe, he said, adding the expenditures are estimated at less than NT\$2 million (US\$76,000).

Another budget of NT\$11 million (US\$417,000) was slated for a study on the possibility of petrochemical industrial cooperation between Taiwan and South Africa, he noted.

Established in October 1988, the IECDF has granted an aggregate US\$295.6 million to 21 loan projects as of the end of September, he said.

Another loan of US\$120 million for 11 projects is pending final approval, he added.

Stressing that the fund aims to give financial and technical assistance to the economic progress of developing countries, he said Taiwan hopes to return some of the help it received from the international community in earlier years.

Taiwan has helped establish vocational training centers and technical cooperation centers for SMEs in some developing countries, he pointed out.

In addition, he said, Taiwan helped the Philippines and Belarus on training telecommunications personnel. Taiwan also assisted Vietnam on the training of teachers and sent a group of SME experts to Nicaragua.

A total of 1,819 representatives from developing countries took part in various vocational training courses sponsored by the fund between 1991 and 1994, he added.

President Receives Holy See Cardinal

OW1212085594 Taipei CNA in English 0828 GMT 12 Dec 94

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, Dec. 12 (CNA)—President Li Teng-hui received Cardinal Edeard Idris Cassidy, president of the Holy See's Pontifical Council for Promoting Christian Unity at the presidential office Monday [12 December].

Cardinal Cassidy served as the Holy See's ambassador to the Republic of China [ROC] for nine years in the 1970s.

Before leaving his post, Cardinal Cassidy was decorated by then Foreign Affairs Minister Y.S. Tsiang in recognition of his outstanding contributions to promoting cooperation and bilateral ties between the two countries.

Cardinal Cassidy said he is impressed with the fast progress Taiwan has made in the 20 years since he left.

Li told him that the ROC's successful economic development and democratic politics have won affirmation from the international community. Besides, he said, active religious activities in Taiwan show that the people here are enjoying religious freedom.

Cardinal Cassidy said he agreed to Li's view and said he attached great importance to religious activities in Taiwan.

Cassiday was accompanied by Secretary-General to the President Y.S. Tsiang, Vice Foreign Affairs Minister Huang Hsiu-jih, Bishop Paul Shan, and the Holy See's Charge d'Affaires to the ROC Rev. Monsignor Juliusz Janusz.

Cassiday arrived in Taipei Dec. 8 and is scheduled to leave Tuesday.

Relations With Australia Continue To Expand

OW1212095394 Taipei CNA in English 0738 GMT 12 Dec 94

[By Peter Chen]

[FBIS Transcribed Text] Brisbane, Dec. 12 (CNA)—Despite the absence of diplomatic ties between the Republic of China [ROC] and Australia, unofficial relations have progressed steadily over the past few years thanks to unswerving efforts by the ROC representative in Canberra and his colleagues in Sydney and Melbourne.

On the political side, exchanges [words indistinct] high-ranking officials between the two countries have increased. More than 40 ROC officials, including 10 ministers, have visited Australia in the past three years, while over 60 Australian officials, including two ministers, have visited Taiwan. About 60 members of parliament (MP) from Australia also have visited Taiwan.

In early February this year, Liu Sung-fan, president of the Legislative Yuan and his deputy, Wang Ching-ping were well received during their visit to Australia.

The membership of the Aussie-ROC Parliamentarian Group has increased to 90 MPs, up substantially from 49 when it was set up in 1992. It is now the second largest parliamentarian group in Australia, behind only the Aussie-US Group. The increase in the number of parliamentarian membership for the ROC group reflects the better friendship between the Australian MPs and the ROC. On the trade and economic side, the two-way trade between the ROC and Australia exceeded US\$3.5 billion in 1993, of which ROC exports to Australia were US\$1.43 billion, while ROC imports from Australia were US\$2.056 billion. The 1993 trade volume was slightly higher than that in 1992.

ROC exports to Australia were mainly chemical materials and products, textiles, metal products, office equipment, computers and sundry goods, while ROC imports from Australia were mainly foods, metals, scrap iron, coal, petroleum products, iron ore, steel and non-ferrous metals.

Two-way trade has increased steadily in the past years and it is expected to rise at the same pace in coming years.

Both countries have held three general meetings in the past three years to discuss and resolve their economic problems. In addition, both sides also held two energy conferences. As a result, official channels between the two countries have been smooth.

On the scientific side, both sides have reached understanding on bilateral reciprocity and officials from the two countries have discussed ways to strengthen scientific cooperation.

Officials from the ROC National Science Council have visited Australia and the ROC sent a five-member delegation to Australia to sign a memorandum of understanding (MOU) on mutual protection on industrial property rights and another MOU on promotion of technology transfers.

On the cultural and academic side, the ROC Education Ministry provided scholarships to 12 Australian students to study Mandarin Chinese in Taiwan. The Chiang Ching-kuo International Academic Foundation has increased its annual cash scholarships to US\$647,000 in 1993 from US\$176,000 in 1991 to the Asia and Pacific region. But most of the scholarships went to Australia. The Australian National University in Canberra and the Murdoch University in western Australia held one seminar each last year to discuss the development of the Republic of China. In April and October this year, the two universities also held similar seminars to discuss the ROC-Aussie trade and economic cooperation and regional security.

In February 1993, five university presidents visited Australia and held talks on ways to boost academic cooperation. Exchanges of visits by scholars from both sides have increased.

On the transportation front, Australian Asia Airways and Mandarin Airlines inaugurated Taiwan-Australia service in October 1992. Since this time, the flow of tourists from both countries, especially from Taiwan to Australia, has increased substantially.

In March this year, both countries agreed to further boost weekly flights and destinations to include Melbourne, bringing the number of weekly flights from four to eight.

The three airlines now fly between Taipei and Brisbane, Sydney, and Melbourne.

With regard to tourism, tourists from the ROC to Australia totaled only 35,000 in 1991, but the figure rose to 63,000 in 1992 and 108,200 in 1993.

In April 1993, Australia successfully staged its first stamp exhibition in Taiwan. In November the same year, Australia organized a "Today Australia" show in Taiwan, introducing its products, ballads, aboriginal dances and contemporary arts.

From Taiwan, the ROC sent several youth choirs and acrobatic groups to perform in major cities in Australia. It also sent university students to promote friendship in Australia.

In addition, the ROC and Australia have also established ties in such fields as media, finance, regional security, environmental protection, police, retired servicemen and city and county government levels.

The prospects for bilateral relations between the ROC and Australia in coming years are bright as both countries march towards closer ties.

Opposition Politicians To Visit Canada

OW1012080094 Taipei CNA in English 0648 GMT 10 Dec 94

[By S.C. Chang]

[FBIS Transcribed Text] Ottawa, Dec. 9 (CNA)—In response to a recent visit to Taiwan by 13 Canadian members of parliament, a group of Democratic Progressive Party officials will visit Canada Dec. 12-19 to enhance mutual friendship and bilateral relationship between Canada and Taiwan, the organizer said Friday [9?DUcember].

The Formosan Association for Public Affairs (FAPA) of Canada announced that the DPP delegation will be led by Chang Chun-hung, a member and deputy convener of the DPP caucus in the Legislative Yuan. Other members will include Chang Chen Fu-mei and Michael Ming Tsai, members and leaders of the DPP caucus in the National Assembly.

On Dec. 13, the DPP visitors will meet Canadian members of parliament to "seek new opportunities to upgrade the mutual friendship between Taiwan and Canada," FAPA said.

On the evening of the same day, the DPP delegation will present the "Taiwan question" in relation to the international community during a dinner reception organized by Taiwanese organizations in Canada.

On Dec. 14, the group will leave Ottawa for Montreal to meet with new immigrants from Taiwan. They will then move on to Toronto on Dec. 15 and Vancouver on Dec. 18 to promote stronger economic ties between the two countries.

Agricultural Accord Signed With Canada

OW1212083794 Taipei CNA in English 0805 GMT 12 Dec 94

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, Dec. 12 (CNA)—Taiwan signed a memorandum of understanding on agricultural cooperation with Canada Monday [12 December] to increase agricultural exchanges between the two nations.

As the Republic of China [ROC] and Canada have no diplomatic relations, the signing ceremony was presided

over by Chih Shuang-ching, director of Animal Husbandry Department of the Council of Agriculture (COA), and Ronald Berlet, director of Canadian Trade Office in Taipei.

Also witnessing the ceremony at the Council of Agriculture were Canadian agricultural officials and ROC officials from the ministries of Foreign Affairs and Economic Affairs, as well as the COA.

Under the memorandum of understanding, both sides agree to set up a work group to hold annual meetings to discuss agricultural cooperation, COA officials said.

The officials noted that trade between Taiwan and Canada has grown rapidly in recent years, topping NT\$70 billion [new Taiwan] (US\$2.651 billion) in 1993. Canada's exports to Taiwan accounted for NT\$20 billion (US\$757.57 million), over half of which were agricultural products such as leather, animal feed, beef and processed foods.

The Canadian Trade Office has previously held seminars in Taiwan on agricultural technology cooperation with the COA, discussing deer raising, dairy cow management and the cultivation of alfalfa for animal feed.

Canadian beef, seafood, beer, liquors, mineral water and processed foods are popular with Taiwan consumers.

Overseas Peace Corps Sends Team to Rwanda

OW1012082794 Taipei CNA in English 0727 GMT 10 Dec 94

[By F. C. Kuo and Sofia Wu]

[FBIS Transcribed Text] Bangkok, Dec. 10 (CNA)—Three Taipei overseas peace service workers left Bangkok for Rwanda Saturday [10 December] to extend aid to starving and wounded refugees in the east African country.

The workers mark the first efforts by a Republic of China [ROC] volunteer group to join international refugee relief services in Africa.

The trio includes Kuo Shao-tsai, Teng Yu-hua and Hsu Shu-mei. All three previously served in the Chinese-Thai Refugee Service Corps sponsored by Taipei-based Chinese Human Rights Association and have rich experience in relief services.

The Taipei overseas peace service sent representatives to Rwanda in September to inspect the plight of people there. According to the inspection report, there are more than 2 million Rwandans living in refugee camps and another 1 million are displaced. Nearly all farmland and public facilities were destroyed during recent ethnic conflict between the ruling Tutsi minority and the majority Hutus. Even though the civil war is subsiding, more than 100 people continue to die each day, most falling prey to land mines placed near rural roads.

The Taipei overseas peace service thus decided to send the three-member group to extend relief services to Rwanda refugees.

The ROC set up the Overseas Peace Service Corps in July as part of its effort to assist needy foreign countries and peoples. The service corps is administered by the International Economic Cooperation Development Fund established by the ROC Government in 1988 to offer economic aid and technical assistance to friendly developing countries.

Although the ROC is not a UN member, it has donated US\$2 million to the United Nations Children's Fund (UNICEF) to help Rwandan refugees. Several Taiwan charity groups, including the Buddhist compassion relief Tzu Chi Foundation and the Taiwan branch of World Vision, have also offered aid to the refugees.

Tuvalu Prime Minister To Visit 11 Dec

OW1012083594 Taipei CNA in English 0744 GMT 10 Dec 94

[By Flor Wang]

[FBIS Transcribed Text] Taipei, Dec. 10 (CNA)—Tuvalu Prime Minister Kamuta Latasi will arrive in Taipei on Sunday [11 December] for a six-day visit.

The government attaches great importance to Latasi's visit, as Tuvalu is a strong ROC [Republic of China] ally and firmly supports the ROC in its bid to join international organizations.

Tuvalu established diplomatic relations with the ROC in 1979, shortly after the South Pacific island nation won its independence. The two countries have signed several fishery cooperation agreements.

Latasi will meet with President Li Teng-hui and Premier Lien Chan during his stay.

U.S. Conservation Officials To Visit

OW1212092994 Taipei CNA in English 0824 GMT 12 Dec 94

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Dec. 12 (CNA)—The United States will send conservation officials to Taiwan in January to inspect wildlife conservation achievements here, Council of Agriculture Chairman Sun Ming-hsien said Monday [12 December].

Sun made the statement after meeting with two American Institute in Taiwan (AIT) officials. AIT was established by American authorities to handle exchanges with the Republic of China [ROC] after the two countries suspended diplomatic relations in 1979.

Sun briefed Richard Bock, deputy managing director of the AIT Washington office, and Christopher J. Lafleur,

deputy director of the AIT Taipei office, on Taiwan's new measures to protect endangered fauna and flora species.

Sun told the AIT officials that Taiwan has revised its wildlife conservation law to impose harsher penalties on law-breakers.

"We have also taken steps to mark rhino horn and tiger bone stocks and have launched an islandwide publicity drive on the importance of wildlife conservation," Sun said, adding he hopes the US Government will soon lift its trade sanctions on Taiwan for alleged failure to eliminate illicit wildlife trade.

Bock said he will brief American authorities on what he has seen here after returning home. He further said a team of conservation experts will visit Taiwan early next year to further check Taiwan's conservation enforcement.

"An inter-department task force will then decide whether to lift the trade sanctions on Taiwan based on the team's findings," Bock noted.

The Clinton administration announced in April that it would ban imports of Taiwan-produced orchids and some other wildlife products in accordance with the Pelly Amendment to the 1967 Fishermen's Protective Act. The trade sanctions took effect in August and the Clinton administration promised to review Taiwan's progress in wildlife conservation in December. Taiwan will lose an estimated US\$20 million annually because of the trade sanctions.

Because of a busy schedule, the US Government has postponed the review to January or February. Sun said he hopes the US will lift its trade sanctions on Taiwan before March when the United Nations Convention on International Trade in Endangered Species will hold a standing committee meeting to review wildlife conservation progress in several Asian countries, including Taiwan.

Hong Kong

Reportage on Preliminary Working Committee Meeting

Qian Addresses Meeting Opening

OW1012154394 Beijing XINHUA Domestic Service in Chinese 1115 GMT 8 Dec 94

[By reporters Duanmu Laidi (4551 2606 0171 1229) and Fang Jin (2455 3866)]

[FBIS Translated Text] Beijing, 8 Dec (XINHUA)— On 8 December, the Fourth Plenary Session of the Preliminary Working Committee [PWC] of the Preparatory Committee of the Hong Kong Special Administrative Region [HKSAR] opened in the Great Hall of the People in Beijing.

Qian Qichen, vice premier and PWC chairman, presided over the meeting. He pointed out in his opening speech that the PWC's work is being implemented smoothly according to our plan and time table.

Over the past six months or so, the PWC's panels have studied issues related to Hong Kong's smooth transition and progressively worked out written suggestions and plans. Meanwhile, the panels have carried out research on some new subjects. Although the PWC's discussions were solely for the purpose of developing suggestions, it is, however, obvious that its discussions are shaping a framework for preparations for the HKSAR. He congratulated and thanked the PWC for its fruitful work.

Qian Qichen said: Some of the issues the PWC has studied are directly related to the transition of Hong Kong's political power and the HKSAR's establishment; some are issues dealing with Hong Kong's economic, banking, cultural, and educational sectors that are of immediate concern to the vast number of Hong Kong residents. These issues will have an impact on Hong Kong's peaceful transition and it is incumbent upon the PWC to concern itself with and conscientiously study these issues. He said that over the past six months, the PWC studied the issue of whether or not to set up a provisional legislative council. It is, in addition to being directly related to the smooth transfer of political power, an issue affecting arrangements in other areas. Originally, we came up with the idea of the "through train" as a special arrangement for accomplishing peaceful transition; that is, the legislative organ elected in 1995 would, under the condition of an agreement between China and Britain, continue to function after 1997. Due to a lack of cooperation from the British side, the "through train" plan has been sabotaged. It is only natural that we should formulate a workable plan to ensure relevant laws will function smoothly and effectively when the special administrative region is established; it is therefore necessary to establish a provisional legislative council. To do so is for the purpose of preventing chaos during transition. We are fully confident in our ability to avert chaos.

Qian Qichen said: There is another issue that is bound with the interests and confidence of Hong Kong residents and affects investors' confidence in Hong Kong's future. The economic subject panel, in October and November respectively, sponsored a forum on the associated foreign exchange system and a seminar on post-1997 economic relations and trade between the inland and HKSAR in Hong Kong. Officials of competent state departments and people representing the Hong Kong Government and society who were invited to attend had an exchange of views and discussions on majors issues related to Hong Kong's economic development, achieving consensus on many issues. In addition to demonstrating that the PWC's work enjoys broad support in Hong Kong, a greater significance of the two meetings is that they helped people to achieve a better understanding of the principle of "one country, two systems" and the policy of "Hong Kong governed by the Hong Kong people." Hong Kong society highly values the two meetings and the suggestions they produced, saying in praise that "the PWC is genuinely doing solid work for Hong Kong's peaceful transition and for safeguarding Hong Kong people's interests," and that "they demonstrate that its work is gaining greater recognition by all sectors." Facts demonstrate that the PWC has placed some important issues concerning Hong Kong's peaceful transition and the immediate interests of the Hong Kong people on its agenda and has formulated ideas and suggestions in line with the Basic Law's relevant provisions. It is on the right track.

He said: The smooth progress of PWC's work cannot be separated from the favorable domestic and international situation we are in. As a result of the growth and take-off of China's economy, China's standing in the international community has been rising with each passing day. Recently, Chinese leaders have successively visited many countries, and these visits have stabilized and developed China's friendly relations with foreign countries and expanded economic and trade cooperation with them. In particular, President Jiang Zemin's participation in the second informal Asia-Pacific Economic Cooperation [APEC] summit, his visits to China's close neighbors, and the bilateral meetings he held with leaders of various countries reflect China's important standing and influence in international and Asia-Pacific regional affairs. The "Bogor Declaration" adopted during the APEC meeting reveals a broad prospect for economic cooperation in the Asia-Pacific region. Arguably, this is a period in which China enjoys the broadest room for diplomatic maneuvering, the most stable good-neighborly and friendly relations with its neighbors, and strongest appeal in its market since the PRC's founding. A strong and stable motherland with a growing international standing constitutes the strongest support for our work of restoring China's sovereignty over Hong Kong.

Qian Qichen concluded: In the period prior to Hong Kong's return to the motherland, we sincerely hope that the British side will get back on track in observing the Joint Declaration and cooperating with the Chinese side.

We have consistently held that cooperation is not only conducive to Hong Kong and China but also conforms with Britain's best interests. When he met me in New York at the end of last September, Foreign Secretary Hurd again and again expressed his desire for strengthening Sino-British cooperation and made a number of proposals on the Hong Kong issue. We welcome this. Of course, to truly achieve this requires action that suits the actual conditions. We hope the British authorities in Hong Kong will change their attitude toward the PWC and act with sincerity. This will be conducive to Hong Kong's smooth transition, prosperity, and stability, and it will also contribute to better Sino-British relations. Qian Qichen said: Hong Kong's smooth transition has become an irreversible trend and it is the will of the people. The current meeting constitutes a review of PWC's work since its founding more than a year ago. The HKSAR Preparatory Committee will be formally inaugurated in 1996. There is only a year left for the PWC to finish its work. The time is pressing, and the responsibility is grave. I hope everyone of us will concentrate our energy, pool our wisdom and efforts, and fulfill our mission on schedule.

At this morning's session, Leung Chun-ying, Fong Wong Kut-man, Shao Tianren, Wu Jianfan, and Reta Fan delivered work reports on behalf of the political, economic, legal, cultural, social, and security groups, respectively.

Vice Chairmen Ann Tse-kai, Fok Ying-tung, Lu Ping, Zhou Nan, Jiang Enzhu, and Li Fook-sean, and all the PWC members attended the meeting.

Qian Addresses Closing Session

OW1012143694 Beijing XINHUA Domestic Service in Chinese 1123 GMT 10 Dec 94

[By reporters Duanmu Laidi (4551 2606 0171 1229), and Fang Jin (2455 3866)]

[FBIS Translated Text] Beijing, 10 Dec (XINHUA)—On 10 December, the Fourth Plenary Session of the Preliminary Working Committee [PWC] for the Hong Kong Special Administrative Region [HKSAR] Preparatory Committee ended at the Great Hall of the People.

Qian Qichen, vice premier and PWC chairman, presided over and addressed the session. He said the meeting heard and discussed the work reports submitted by various PWC subcommittees, especially their proposals and plans, and this shows the PWC had started its various projects and had achieved certain major successes.

Qian Qichen then commented on the subcommittees' proposals. He said: The Political Affairs Subcommittee proposed that the preparatory committee be established in January 1996 and end its operations when the first HKSAR Government, legislative council, and judicial organs are formed; and that the number of Hong Kong members should account for more than 50 percent of the

number of the preparatory committee members. It also put forward proposals on the scope of the preparatory committee's authority. He said: This subcommittee's proposals on forming the first HKSAR Government have outlined the profile of the first HKSAR Government because they involve the work in many areas, such as the procedures for producing the committee for nominating the first HKSAR Government; the procedures of nominating the chief administrator; and the establishment of the first HKSAR Government's institutions, lawful organizations, and consultative organizations. The provisional legislative council that the subcommittee proposed to establish will fill the void created by the British side's ravage of the "through train" arrangements for the HKSAR when it is established. The legal affairs subcommittee put forward a set of relatively systematic procedures for handling Hong Kong's existing laws. The Economic Affairs Subcommittee especially studied issues concerning the maintenance of the Hong Kong currency's associated exchange rates [lian xi hui lu 5114 4762 0565 3764], Hong Kong's pension system, economic and trade ties between China and Hong Kong after 1997, Hong Kong's real estate, coordination of large capital construction projects in Hong Kong and China, the transfer and management of the land fund, and so forth. The proposals put forward by the Cultural Affairs Subcommittee—proposals on issues concerning Hong Kong public organs' names, insignias, flags, and seals; Hong Kong's public holidays and honorable titles after 1997; and interim arrangements for Hong Kong stamps—and the Social Security Subcommittee's proposals—proposals concerning Hong Kong's residence and permanent residence for children that Hong Kong's permanent Chinese residents give birth in China, and the permanent resident status for emigrants returned from overseas—involve many aspects of Hong Kong's social life.

Qian Qichen pointed out: When he received the PWC members last July, President Jiang Zemin pointed out that we should establish our footing on relying on our own efforts and insist on achieving Hong Kong's stable transition by upholding the principle of keeping the initiative in our own hands. I think this involves two main aspects, namely the support from the people in our motherland, and the participation of the vast number of people in Hong Kong. In a broad sense, this requires the backing of a politically stable and increasingly prosperous country that has embarked on reforms and opening up. Specifically speaking, this support can be obtained through upholding the general principle of "one country, two systems" and all general and specific policies formulated under this principle's guidance. He said: This year marks the 10th anniversary of the signing of the Sino-British Joint Declaration concerning the Hong Kong issue. From our country's phenomenal developments and Hong Kong's developments during the transitional period over the last 10 years, we can clearly see the extensive appealing power and the great vitality of all these general and specific policies drawn up

on the basis of the "one country, two systems" principle, and we have also become increasingly aware that Hong Kong's future is closely tied with our motherland's future and destiny. When our country and nation are prosperous, Hong Kong certainly will be prosperous.

Speaking on the participation of the vast number of people in Hong Kong, Qian Qichen noted: Specifically because the central authorities' strategic decision represents the long-range interests of all the Chinese people, including our countrymen in Hong Kong, and because it expresses the people's aspirations and requests, the vast number of people who love the country and Hong Kong will certainly rally under the banners of "one country, two systems" and the Basic Law and fight for Hong Kong's bright future and our nation's rejuvenation. Loving the country and loving Hong Kong do not contradict one another. They are the two sides of a coin. The "one country, two systems" cause is a great cause that the people in the whole country, including the vast countrymen in Hong Kong, are striving to accomplish.

Qian Qichen said: In formulating principles and policies on Hong Kong, the question that Comrade Deng Xiaoping is concerned about most is how to make the Hong Kong people participate in the management of Hong Kong affairs in various quarters as soon as possible, to discover a large number of Hong Kong people who love China and Hong Kong and have various specialities during the course of the practice, and to let them take up the heavy responsibility of administering the special administrative region after 1997. Qian Qichen then pointed out: The organization of the Basic Law Drafting Committee, hiring of the Hong Kong affairs advisers and district affairs advisers, and the PWC's establishment have all been for the purpose of making the Hong Kong people participate in the concrete practice of establishing the HKSAR and for the purpose of implementing a high degree of autonomy characterized by "Hong Kong governed by the Hong Kong people" after 1997. All the questions being studied by the PWC, including questions concerning the establishment of government, economic affairs, cultural affairs, and people's livelihood matters, are questions that must be considered before establishing the special administrative region and achieving a smooth transition, as well as questions that the Hong Kong people are very much concerned about and imperatively want to have the answers to. When studying these questions, we always adhere to the principle of working for the Hong Kong people and relying on them and take various actions to enhance the depth and scale of the Hong Kong people's participation. We are doing things this way so that all our concrete plans have a solid mass foundation, are understood by the Hong Kong people, and are easy to implement in the future.

He said: Perhaps some people are worried about the preparatory work being undertaken by the PWC at present. Some people will even create confusion and attack it as an intervention in Hong Kong's high degree

of autonomy. On the intervention question, Deng Xiaoping has said that we should reply with perfect assurance that we must not generally oppose participation, nor should we generally oppose intervention. It depends on whether the opposition is conducive or detrimental to the Hong Kong people's interest and to Hong Kong's prosperity and stability. When we say that the policy of "Hong Kong governed by the Hong Kong people" will remain unchanged, we mean that those who manage Hong Kong will be elected by the Hong Kong people and appointed by the central government, not anyone dispatched to Hong Kong from Beijing. This means participation by the Hong Kong people with the central government's support.

Qian Qichen pointed out: In short, in adhering to the principle of self-reliance and relying on our own strength to achieve a smooth transition in Hong Kong, we should integrate the basic national policy of "one country, two systems," the provisions of the Basic Law, and the relevant decisions of the National People's Congress with the Hong Kong people's practical participation. In this way, we will be immune to external interference at any time and under any circumstances, and be able to resolutely accomplish the historic mission of restoring the exercise of sovereignty over Hong Kong and establishing the special administrative region in accordance with set objectives and timetable.

He said: I would like to emphasize one thing. To adhere to the principle of self-reliance and take the self-reliance as our basic stand does not mean at all that we refuse to cooperate with the British side. On the contrary, we welcome cooperation. What we welcome is a cooperation on track with the Joint Declaration and the Basic Law. Besides, we once had such a cooperation with the British side. However, we must not turn a blind eye to some people who are unwilling to cooperate or not reconciled to cooperate. Some factors of instability and factors of trouble-making still exist. They may come either from inside Hong Kong or from certain international forces, and we must heighten our vigilance against them. Recently, the British side has said something to the effect that it wants cooperation, and it has also done something. Doing something is better than doing nothing. We hope the British policy-makers will have a foresight, sincerely cooperate with the Chinese side over the Hong Kong question, create a good environment for Hong Kong's long-term stability and prosperity, and push Sino-British relations forward.

Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office and vice chairman of the PWC, delivered a report to the meeting on the PWC's tentative work plan for next year.

Present at the meeting were PWC vice chairmen An Zijie, Henry Ying Tung Fok, Zhou Nan, Jiang Enzhu, Zheng Yi, and Li Fushan, and all PWC members.

Further on Qian Closing Address

OW1012160094 Beijing XINHUA in English 1510
GMT 10 Dec 94

[FBIS Transcribed Text] Beijing, December 10 (XINHUA)—China will stick to the principle of “relying on ourselves” to ensure a stable transition of Hong Kong in 1997, said Chinese Vice-Premier Qian Qichen, in addressing a session of a preliminary working body of China’s legislature on resuming the exercise of sovereignty over Hong Kong.

The Fourth Plenary Session of the Preliminary Working Committee [PWC] of the Preparatory Committee of the Hong Kong Special Administration Region (SAR) of China’s National People’s Congress Standing Committee closed in the Great Hall of the People this afternoon.

By combining the principle of “one country, two systems”, the stipulations of the Hong Kong Basic Law and relevant decisions of the National People’s Congress with the practice of Hong Kong people’s participation, “we will be able to remain free of foreign interference under any possible conditions at any time and unswervingly accomplish the mission of resuming the exercise of sovereignty over Hong Kong and establish the special administration region there in accordance with the set goal and schedule,” said Qian Qichen, who is also director of the Preliminary Working Committee.

China hopes that the British decision-makers will take a long-term point of view to co-operate sincerely with the Chinese side on the Hong Kong issue and create favorable circumstances for Hong Kong’s long-term stability and prosperity, Qian said, adding that it will also help prompt the development of Sino-British relations.

The three-day session listened to and discussed the work reports of the five panels of the preliminary working committee.

In the past six months, the political panel focused on issues directly concerning the establishment of the SAR, including ways to set up the preparatory committee, organize the first administration and form a provisional legislative council of the SAR.

The economic panel studied issues with regard to the foreign exchange rates of the Hong Kong dollar, a social security system for retired people, economic and trade relations with the mainland after 1997 and coordination on large-scale construction projects.

The cultural panel made suggestions on transitional arrangements for names, banners, seals, public holidays, honorary titles and stamps of public organizations in Hong Kong.

The social and security panel probed into issues concerning mainland-born offsprings of Chinese citizens with permanent residential rights in Hong Kong and on

regulations concerning the people taking permanent residence in Hong Kong in general.

The meeting asked the panels to speed up study on other issues listed on their working plans and put forth suggestions at the next plenary session, which is scheduled for next June.

Deputy Directors of the Preliminary Committee Ann Tse-kai, Henry Ying Tung Fok, Lu Ping, Zhou Nan, Jiang Enzhu, Zheng Yi and Simon Li fook-sean attended the closing session today.

More on Qian Speech

OW1012161094 Beijing XINHUA in English 1533
GMT 10 Dec 94

[FBIS Transcribed Text] Beijing, December 10 (XINHUA)—Chinese Vice-Premier Qian Qichen, expounding on the Hong Kong issue today, stressed the need to link the policy of “one country, two systems,” the Hong Kong Basic Law and decisions of the National People’s Congress with the practice of participation by Hong Kong residents.

The course of “one country, two systems” represents a great practice pursued by the entire Chinese nation, including the Hong Kong compatriots, Qian said at the closing session of a meeting of the Preliminary Working Committee [PWC] of the Preparatory Committee of the Hong Kong Special Administration Region of the National People’s Congress Standing Committee.

Qian, who is also director of the Preliminary Working Committee, noted that some people may attack the various kinds of preparatory work being done by the preliminary committee, calling it interference in Hong Kong’s high level of autonomy.

“We should justly and forcefully reply that it is inappropriate to oppose participation or interference indiscriminately,” he said.

The criteria for judging the correctness of the approach is whether it protects the interests of Hong Kong residents and whether it is conducive to Hong Kong’s prosperity and stability, he pointed out.

The vice-premier stressed that the policy of “Hong Kong residents governing Hong Kong” will not change.

That policy means that persons chosen by Hong Kong residents to govern Hong Kong will be appointed by the central government and not sent by Beijing, he said.

Therefore, it is not Beijing’s participation, but that of Hong Kong residents, he said, noting that the central government supports Hong Kong residents’ participation in this regard.

In formulating various policies concerning Hong Kong, Deng Xiaoping personally made investigations, Qian told the meeting.

"One issue Comrade Deng Xiaoping was concerned with most was how to enable Hong Kong residents to participate in the management of various affairs in Hong Kong at an early date, so that a large number of competent Hong Kong residents who love both Hong Kong and the motherland will emerge and be able to shoulder the heavy task of managing the Hong Kong Special Administrative Region after 1997," Qian said.

Qian Qichen said that the establishment of the Basic Law Drafting Committee and the Preliminary Working Committee is intended to enable Hong Kong residents to participate in the practice of setting up the Hong Kong Special Administrative Region and to implement the policy of "Hong Kong residents governing Hong Kong" after 1997.

He noted that all the issues studied by the Preliminary Working Committee will be taken into consideration in preparing for the establishment of the Hong Kong Special Administrative Region and achieving a smooth transition.

"Those are also questions which Hong Kong residents are concerned with and eager to hear answers for," he said.

"In studying the questions, it is necessary to implement the policy of relying on Hong Kong residents and take various measures to enable them to participate in a broader manner," he said.

Committee Makes 'Progress'

OW1012144394 Beijing XINHUA in English 1416
GMT 10 Dec 94

[FBIS Transcribed Text] Beijing, December 10 (XINHUA)—A preliminary working body of China's legislature on the question of resuming sovereignty over Hong Kong issued a press communique here today, stating the latest progress it has made in different areas.

The Preliminary Working Committee of the Preparatory Committee of the Hong Kong Special Administrative Region (SAR) of China's National People's Congress Standing Committee held its fourth plenary meeting from December 8 to 10 in Beijing.

The meeting was presided over by Vice-Premier Qian Qichen, who is also director of the preliminary committee.

The meeting deliberated the working reports submitted by its five specialized panels on political, economic, legal, cultural, social and security affairs, along with relevant proposals.

The three-day meeting noted that the suggestions put forward by the panels conform with the principal of "one country, two systems", the Hong Kong Basic Law and relevant decisions of the NPC and its standing committee. Also, they take into consideration Hong Kong's realities as well as the interests and demands of all quarters there.

Also, the meeting put forth opinions for revising the panels' working reports.

In the past six months, the political panel focused on issues which have a direct bearing on the establishment of the Hong Kong Special Administrative Region, including the set-up of the Preparatory Committee of the Hong Kong SAR, the organization of the SAR's first administration and the set-up of a provisional legislative council.

The economic panel primarily studied issues concerning the exchange rate of the Hong Kong dollar, social security for retired workers, trade ties with the mainland after 1997 and coordination on large construction projects.

The meeting concluded that the committee's efforts over the past 18 months have laid a good foundation for next year's work. A working plan for the first six months in 1995 was mapped out.

The fifth plenary session is scheduled to be held from June 22 to 24 next year in Beijing.

Lu Ping Briefs Media on Meeting

OW1112053294 Beijing XINHUA Domestic Service in
Chinese 1243 GMT 10 Dec 94

[By reporters Duanmu Laidi (4551 2606 0171 1229) and
Fang Jin (2455 3866)]

[FBIS Translated Text] Beijing, 10 Dec (XINHUA)—Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office and vice chairman of the Preliminary Working Committee [PWC] of the Preparatory Committee of the Hong Kong Special Administrative Region [HKSAR], held a news briefing at the Great Hall of the People today during which he briefed reporters on the just-concluded Fourth Plenary Session of the PWC and on the work of various PWC subcommittees. He also answered reporters' questions.

Lu Ping particularly addressed the issue of establishing a provisional legislative council. He said: PWC members unanimously agree that Hong Kong must have a provisional legislative body—both from the standpoint of practical work requirements and the legal perspective—as China resumes exercising sovereignty over Hong Kong. He said emphatically: The power and tenure of the provisional legislative council, which serves as an interim body, should be subject to limitations. Its legislative power should be confined to formulating indispensable laws leading up to 1 July 1997. A discussion of some laws that can be postponed may be held after the first legislative council is established. The provisional legislative council's term of office should not be more than 12 months. He said: When formulating the Basic Law, we worked out the "through-train" arrangement for solving this problem. The "through-train" arrangement has now been completely destroyed by the British side. The absence of a "through train" is likely to engender

many new problems. That is why we need a provisional legislative body to solve those problems.

In response to a reporter's question on Sino-British cooperation, Lu Ping said: We hope to cooperate with the British side on the Hong Kong issue so as to facilitate Hong Kong's smooth transition. This has been our consistent stand. The problem now is what attitude the British side will take, and whether the British side is sincere about cooperating with the Chinese side. We cannot pin our hopes on the British side, nor can we harbor unrealistic wishes. Vice Premier Qian Qichen said that we should mainly rely on our own efforts, especially on the vast numbers of Hong Kong compatriots, to effect a smooth transition. The British side has signaled its intention of cooperating with the Preparatory Committee. We welcome such an attitude. We plan to consult with the British side through diplomatic channels to see what opinions it can offer about the future preparatory committee. However, we cannot understand why the British side has assumed an uncooperative attitude toward the PWC despite its professed intention of cooperating with the Preparatory Committee. We hope that the British side will take some concrete actions to demonstrate its sincerity.

During today's news briefing, Lu Ping also answered reporters' questions on the establishment of the HKSAR Preparatory Committee, preparations for the formation of the first HKSAR government, the issuance of HKSAR passports, and land funds.

'Commentary' Views PWC Session

OW1112164294 Beijing XINHUA Domestic Service in Chinese 0353 GMT 11 Dec 94

["Commentary" by XINHUA reporters Duanmu Laidi (4551 2606 0171 1229) and Fang Jin (2455 3866): "Build a Smooth Path for Accomplishing 'One Country, Two Systems'—Notes on the Fourth Plenary Session of the PWC of the Preparatory Committee of the HKSAR"]

[FBIS Translated Text] Beijing, 11 Dec (XINHUA)—China will resume exercising its sovereignty over Hong Kong in 900 or so days. Hong Kong will become the Hong Kong Special Administrative Region [HKSAR] in line with the "one country, two systems" policy and it will practice a high degree of autonomy with "Hong Kong governed by the Hong Kong people." The Preliminary Working Committee [PWC] of the Preparatory Committee of the HKSAR has on its shoulders the glorious task of "paving the path" for the accomplishment of this task. Its solid achievements during the past year or more have demonstrated that the PWC stands high in popular favor and has played an important role in ensuring Hong Kong's smooth transition and the HKSAR's establishment.

As an executive organ of the NPC Standing Committee, the PWC of the Preparatory Committee of the HKSAR

is composed of personages from the mainland and Hong Kong broadly representing various sectors and professions. Over the past year or so, the British authorities in Hong Kong have belittled the PWC's status and functions with unbridled attacks; they even banned civil servants from having contacts with the PWC and erected numerous obstacles for the PWC's work. Their obstructions have, however, not impeded at all the PWC's progress in making preparations for the resumption of sovereignty over Hong Kong. People are noticing with delight that the PWC's hard work is yielding heartening fruits.

At the recent PWC Fourth Plenary Session, the various panels submitted reports on their work as well as suggestions and proposals for discussions by the session. These suggestions and proposals cover the following business: the establishment of the HKSAR Preparatory Committee; the establishment of the HKSAR's first administration; the establishment of a HKSAR provisional legislative council; land and housing in Hong Kong; coordination between Hong Kong and the mainland over large capital construction projects; land funds; procedures for handling Hong Kong's existing laws; and interim arrangements for the names, emblems, flags, and official seals of Hong Kong public bodies, public holidays, names of streets, postage stamps; issues concerning the right of abode for mainland-born offsprings of Chinese citizens with permanent residential rights in Hong Kong; issues concerning the people taking permanent residence in Hong Kong; and permanent residence for emigrants returning to Hong Kong. These suggestions and proposals have formed a framework for the establishment of the future HKSAR.

The establishment of the HKSAR Preparatory Committee and the inauguration of its first administration are two important issues for the resumption of China's sovereignty over Hong Kong. The PWC's political panel conducted in-depth research on the timing for the Preparatory Committee's establishment and its size, composition, and functions in line with the provisions laid down by the Third Session of the Seventh NPC. It was suggested that a broadly based Preparatory Committee be established in January 1996, with Hong Kong people accounting for over 50 percent of its membership. The political panel also submitted specific suggestions on the composition, procedures, timing for the establishment of the committee for nominating the HKSAR's first administration, the appointment of the first chief administrator, the organizational structure of the first administration, appointment of high-ranking officials, and preparations for the establishing the first administrative council. It needs to be pointed out here that the PWC's political panel proposed that a provisional HKSAR legislative council be set up and it also submitted specific suggestions on the set-up, procedures and timing of establishment, and functions of such a council. These suggestions, which fill a legislative vacuum in the future HKSAR resulting from the British side's sabotaging of

the "through-train" arrangements, make up an indispensable step for ensuring Hong Kong's smooth transition and for implementing a high degree of autonomy characterized by "Hong Kong governed by the Hong Kong people" after 1997.

Many issues of general concern in Hong Kong that are closely bound with the immediate interests of the broad masses of the Hong Kong people are also high on the agenda of the PWC's panels. Whether or not to retain the united exchange rate system for the exchange of Hong Kong and U.S. dollars—a question that affects Hong Kong's monetary stability—has been a constant concern of the people. The PWC's economic panel, after a careful examination of a huge amount of historical data, concluded that retaining the united foreign exchange system and maintaining a stable monetary in Hong Kong after 1997 are essential for reassuring the public and ensuring the smooth transfer of political power. Last October, the economic panel convened a forum on the united foreign exchange system in Hong Kong. Experts representing the Hong Kong and Shanghai Banking Corporation, Heng Sang Bank, Charter Bank, First National City Bank, Tokyo Bank, Bank of China, Hong Kong Stock Exchange, and investment banks such as Morgan Stanley, Merrill Lynch, Solomon Brothers, Gaosheng [name as transliterated], American Xinfu [name as transliterated], and Huoduoli [name as transliterated] and banking officials at the forum had an in-depth discussion and their consensus is that the united foreign exchange system should remain unchanged. This has helped enhance people's confidence in Hong Kong's future monetary policy.

Hong Kong's economic ties and trade with the mainland—and the development of such ties—are of great significance to Hong Kong's international economic standing and its long-term prosperity and stability. After several discussions, the PWC's economic panel submitted basic principles for handling post-1997 economic ties and trade with the mainland, which explicitly provide that trade between Hong Kong and the mainland be regarded as import and export, that Hong Kong continue implementing its independent tariff system, Hong Kong businesses investing in the mainland continue enjoying the benefits as an overseas investor, and that investment in Hong Kong by the mainland continue to be treated as overseas investment. To publicize this basic policy and solicit the public's views, the economic panel in late November sponsored the "Seminar on Hong Kong's Economic Ties and Trade with the Mainland in 1997" in Hong Kong, at which members concerned made speeches and answered questions from the audience on the HKSAR's economy, trade, legal status, development of trade, policy coordination, and investment in Hong Kong and the mainland, thus enhancing the broad masses of Hong Kong people's confidence in the policy of "one country, two systems". Moreover, the PWC's economic, legal, and cultural panels also submitted viable proposals on issues with a bearing on people's livelihood such as interim arrangements for land and

housing policy, social security for retired workers, coordination on large construction projects, public holidays after 1997, and Hong Kong's stamps. People praise the PWC as "an organ that does solid work," and "It is truly working for Hong Kong's peaceful transition and for safeguarding the Hong Kong people's interests."

Experience over the past year demonstrated that the PWC—by overcoming obstructions and doing solid work—has laid a foundation for the resumption of exercise of China's sovereignty over Hong Kong and for the accomplishment of "one country, two systems." It is foreseeable that the post-1997 Hong Kong will be still more prosperous and stable.

Qian Qichen on Conditions for 'Smooth' Transfer

OW1112061194 Beijing Central Television Program
One Network in Mandarin 1140 GMT 10 Dec 94

[Interview with Qian Qichen, Chinese vice premier and foreign minister, by China Central Television reporter Fang Hongjin (2455 1347 6651), who is identified by caption, from the "Focus of Interviews" program; place and date not given—recorded]

[FBIS Translated Text] [Video shows Qian Qichen sitting opposite a male reporter] [Fang] Vice Premier Qian, how are you? Welcome to our "Focus of Interviews" program. Having worked for more than a year, the Preliminary Working Committee [PWC] of Hong Kong's Preparatory Committee has advanced many measures and proposals. How confident are you of achieving a smooth transition in Hong Kong in 1997 as a result of such work?

[Qian] Hong Kong's smooth transition is based on two conditions. The first concerns our basic standpoint: that is, reliance on our own strength. Our strength comes from two sources. One is the people and the strength of the motherland. This matter is of concern to people throughout the country. That is why we floated the strategic concept of one country, two systems. Given its growing strength and development, our country is capable of resolving this issue. The other is the people of Hong Kong, whose love for the country and for Hong Kong constitutes a very important source of strength. They play an important role in maintaining Hong Kong's prosperity and stability. They love both their country and Hong Kong. Love for the country does not contradict love for Hong Kong. That is why I believe that the PWC plays an important role in mobilizing Hong Kong residents to get involved.

A smooth transition requires another condition: Sino-British cooperation. The situation was quite good after the Sino-British Joint Declaration was signed in 1984. China and Britain were on very good terms, and the formulation of the Basic Law in accordance with the Joint Declaration proceeded rather smoothly. Some problems, however, occurred later on. I guess they had to do with the trend of opposition, hostility, and pressure

against China, a trend that prevailed in the international community for some time. The situation underwent some changes. There seemed to be some sort of about-face. These gave rise to some problems in Sino-British cooperation. As the time for Hong Kong's reversion to the motherland—which is the trend of the times and the desire of the people—draws near, with only two and a half years left, I believe that China and Britain can cooperate on this fundamental issue. Cooperation, however, does not mean there will not be frictions, conflicts, and problems. That is why we need to work hard.

Qian Qichen Hopes for Earnest UK Cooperation

*OW1012135494 Beijing XINHUA in English 1333
GMT 10 Dec 94*

[FBIS Transcribed Text] Beijing, December 10 (XINHUA)—Vice-Premier Qian Qichen today urged Britain to have farsighted cooperation with the Chinese side on the Hong Kong issue in order to ensure a good environment for maintaining Hong Kong's long-term stability and prosperity.

The Chinese vice-premier also stressed that Hong Kong's future is linked closely with the future and destiny of the motherland.

"So long as the Chinese nation is prosperous, Hong Kong will certainly be prosperous," he said at the closing session of a meeting of the Preliminary Working Committee of the Preparatory Committee of the Hong Kong Special Administrative Region of the National People's Congress Standing Committee.

Qian, who is also chairman of the Preliminary Working Committee, said that achieving a smooth transition in Hong Kong by relying on "our own efforts" as a starting point and unswervingly following the principle of "keeping the initiative in our own hands" is a call issued by Chinese President Jiang Zemin.

Relying on "our own efforts" as a starting point means relying on the support from the people of the motherland and the participation by Hong Kong residents, Qian explained.

The support from the people of the motherland means that a country enjoying political stability, pursuing the reform and open policy and becoming increasingly prosperous serves as a powerful backing, he added.

Specifically, that support finds expression in the implementation of the general principle of "one country, two systems" and various policies under the guidance of that general principle, he noted.

In proposing the concept of "one country, two systems," he said, "we took Hong Kong's future and China's long-term development strategy into consideration."

This year marks the 10th anniversary of the signing of the Sino-British Joint Declaration on the Hong Kong question.

Qian said that over the past decade, tremendous development in China in general and the development in Hong Kong after it entered the transitional period demonstrate the influence and vitality of various policies under the guidance of the general principle of "one country, two systems."

"Keeping the initiative in our own hands and relying on our own efforts as a starting point in no way mean that we refuse cooperation from the British side," he stressed.

"On the contrary, we welcome cooperation. What we welcome is earnest cooperation based on the joint declaration and the Basic Law (of the Hong Kong Special Administrative Region). Only this kind of cooperation is constructive," he pointed out.

"We once had such cooperation with the British side," he said.

But some people are not willing to cooperate, he said, adding that there also exist some factors of instability and sabotage, which may come from within Hong Kong or from certain international force.

Qian Qichen said, "we must heighten our vigilance over such factors."

Recently, the British side has made remarks hoping for cooperation and has done something which, though being little, is better than nothing, he said.

He expressed the hope that the British policy makers will be farsighted and cooperate sincerely with the Chinese side on the Hong Kong question, so as to create a fine environment for Hong Kong's long-term stability and prosperity.

"This," he said, "will also be conducive to the promotion of Sino-British relations."

Lu Ping Urges 'Concrete Actions' From Britain

*OW1012162594 Beijing XINHUA in English 1600
GMT 10 Dec 94*

[FBIS Transcribed Text] Beijing, December 10 (XINHUA)—A senior Chinese official said that it is imperative to set up a temporary legislative body in Hong Kong when China resumes the exercise of sovereignty over Hong Kong in 1997.

Lu Ping, director of the Hong Kong and Macao Affairs Office under the State Council stressed that this temporary legislative body's power and term should be limited.

Body's task is to formulate indispensable laws for the smooth transfer of Hong Kong on July 1, 1997. The formulation of other laws can be postponed after the set-up of the first legislative council, he said.

Thus, the term of office for the provisional legislative council should be no longer than 12 months, Lu said.

Lu made the remark today at a press conference on the just concluded Fourth Plenary Session of the Preliminary Committee of the Preparatory Committee of the Hong Kong Special Administrative Region (SAR) of the National People's Congress.

He noted that the "thorough train" arrangement was completely foiled by the British side, and as a result, many new problems have emerged, whose resolution call for a provisional legislative body, he said.

It has been China's consistent stand to cooperate with Britain in ensuring a smooth transfer of Hong Kong, he said, adding that the ball is on the British side now, and the problem is whether it has the sincerity for cooperation.

He stressed that the Chinese side will not pin its hope solely on the British side or harbor unrealistic wishes.

Instead, he said, "We will rely on our own efforts, especially those of the Hong Kong compatriots."

However, Lu said that the British side has expressed hope to cooperate with the preparatory committee, and "We welcome such an attitude."

The Chinese side plans to consult with the British side through diplomatic channels and see what they will say for the future preparatory committee, he said.

Lu said he could not understand why the British side, while pledging to work with the preparatory committee, has refused to cooperate with the preliminary committee.

Lu urged the British side to take concrete actions to show its sincerity.

Lu Ping on Direct Elections, Other Issues

OW1112064794 Beijing Central Television Program
One Network in Mandarin 1140 GMT 10 Dec 94

[Interview with Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, by China Central Television reporter Fang Hongjin (2455 134/ 6651), who is identified by caption, from the "Focus of Interviews Program"; place and date not given—recorded]

[FBIS Translated Excerpt] [Video shows Lu Ping sitting opposite a male reporter] [Fang] You have been in charge of Hong Kong and Macao affairs for some time. When you first assumed this post, did you expect to (?hold consultations on major affairs) by holding meetings on setting up Hong Kong's government and legislative bodies during the transitional period?

[Lu] We did not anticipate this state of affairs. When we drafted the Basic Law, we proceeded from the premise that China and Britain would cooperate, and that we would achieve a smooth transition through the so-called "through-train" arrangement.

[Fang] Under what circumstances did Sino-British cooperation turn sour and discordant later on?

[Lu] Specifically speaking, this came to pass with Mr. Chris Patten's arrival in Hong Kong. He proposed the so-called constitutional reform package. We call this a "three-violation" package because it violates the Basic Law, the Sino-British Joint Declaration, and the previous agreements reached by China and Britain.

[Fang] If the China side compromises and agrees to Mr. Patten's package, what adverse effects will this have on Hong Kong's future?

[Lu] If we agree to the Patten package, our Basic Law will lose its authority. We spent four years and eight months drafting the Basic Law after extensively hearing the opinions of people from all circles [words indistinct]. Our Basic Law is in complete conformity with Hong Kong's reality. If we act according to Patten's package, I think that great disorder [da luan] will inevitably arise in Hong Kong in 1997, and it will be absolutely impossible to achieve a smooth transition.

[Fang] We have established the Preliminary Working Committee [PWC] of the Preparatory Committee. In the future, we have to establish the Preparatory Committee and some interim legislative bodies. Do you think that these measures embody the principle that we originally laid down regarding the introduction of a high degree of autonomy with the people of Hong Kong governing Hong Kong?

[Lu] The purpose of establishing the PWC was to mobilize the people of Hong Kong to participate in government in the absence of cooperation from Britain so as to ensure Hong Kong's smooth transition. [passage omitted]

[Fang] Do you think that Hong Kong delegates [to the recent PWC meeting] can reflect the views of people from all circles in Hong Kong?

[Lu] In the one year or so since the PWC was established, we have come into contact with members from various circles in Hong Kong. Everyone of them approaches the PWC's work seriously and earnestly. They made ample preparations before the meeting, which they attended with a responsible attitude toward Hong Kong. During the meeting, they voiced various opinions, many of which were not necessarily similar to ours. Our discussions during the PWC meeting were, therefore, very democratic.

[Fang] Why can't the future Hong Kong Special Administrative Region Government and chief executive be elected in one step through direct elections?

[Lu] Why can't they be elected in one step? The reason is that Britain has never practiced so-called democracy during its century-long administration of Hong Kong. Chaos [hun luan] will inevitably arise if we immediately

hold direct elections under such circumstances. This is because democratic traditions need to be cultivated slowly. [passage omitted]

SAR To Decide Right of Abode Criteria After 1997

HK1112061194 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 11 Dec 94 p 2

[By Linda Choy and So Lai-Fun in Beijing]

[FBIS Transcribed Text] The crucial question of who will have the right of abode in Hong Kong under Chinese rule will not be settled before 1997, the mainland's top official on the territory's affairs said yesterday. Hong Kong and Macao Affairs Office chief, Lu Ping, ruled out any chance of China and Britain agreeing on a definition of "permanent residents" before the handover, and said the gap would have to be filled by a law enacted by the provisional legislature.

Although the nationality issue is high on the agenda of Tuesday's Sino-British Joint Liaison Group meeting in London, Mr Lu made clear it would remain deadlocked. He said an agreed definition of "Chinese citizens" was needed before tackling the issue of who had the right of abode in Hong Kong, and this was impossible before 1997.

"The British side sees British Dependent Territory Citizens and British National (Overseas) passport holders as British citizens. But we see them as Chinese citizens," he said. "That's why we issued our memoranda separately in the Joint Declaration to state the difference." Mr Lu said this was because all Chinese citizens born in Hong Kong automatically acquired permanent residency, while other groups could do so only by staying for seven years, and declaring Hong Kong to be their home.

Top Hong Kong officials are dismayed at the prospect of Beijing blocking yet another issue and fear it will encourage an exodus before 1997.

In Beijing, Mr Lu said also Hong Kong would have a caretaker legislature after it reverts to Chinese rule. The decision was made at the end of a three-day meeting of the Preliminary Working Committee. Delegates recommended the provisional legislature last only one year, but a final decision had not been reached on the tenure, he added. Mr Lu said the impasse and resulting delay over the immigration amendments showed the need for a provisional legislature to stop Hong Kong becoming a "lawless" society.

But Deputy Secretary for Security Ken Woodhouse was more optimistic, insisting Mr Lu did not seem to have ruled out further talks on the issue. "It's not clear that he's saying this covers everything and therefore we can't agree anything." However, Mr Woodhouse admitted Britain had been waiting several years for a response from Beijing on proposals to resolve the permanent residency issue—and time was running out if it was to be

settled before 1997. So far, China has not even agreed to open formal expert discussions on the topic.

Mr Lu also revealed yesterday that Beijing had finished designing the Special Administrative Region passport and was preparing to ask Chinese embassies to promote visa-free arrangement for it. He called on Britain to take the lead in recognising the passport and said Hong Kong people would find it more useful than the passports they presently hold.

Also yesterday, Mr Lu ruled out a controversial proposal by the Preliminary Working Committee's economic subgroup that the SAR Land Fund continue to operate for up to three years after the handover. "We do not want to manage the fund for an extra day (after the transfer of sovereignty)," Mr Lu said. "We must try our best to hand over the fund on July 1, 1997. The question is, which body is to receive the fund?"

Meanwhile, a senior Chinese official yesterday expressed opposition to property tycoon Li Ka-shing's proposal for a high-level commercial affairs co-ordination centre to arbitrate in cross-border business disputes. Yu Xiaosong, vice-minister of the State Economic and Trade Commission, said there was no need for such a body. "If we are to set up a special body for Hong Kong before 1997, should we also make one for Japan and another for the United States?" he said. "If we are to set up one for the SAR after 1997, should we also set up another for Macao?" Mr Yu said ways should instead be found to improve existing channels for resolving such disputes.

Judicial Appointments to Appeals Court Discussed

Lu Ping Rejects 'Through Train'

HK1112060994 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 11 Dec 94 pp 1, 2

[By So Lai-Fun and Linda Choy in Beijing]

[FBIS Transcribed Text] Judges appointed to Hong Kong's controversial Court of Final Appeal (CFA) will not be guaranteed places on the panel once the territory reverts to mainland rule, China's top spokesman on local affairs said yesterday. In what is seen as a major blow to the Government's attempts to impose its model for the court on sceptical legislators and lawyers, Hong Kong and Macao Affairs Office chief Lu Ping said the Basic Law made no provision for a judges' "through train". As such, it would be up to Hong Kong's post-1997 administration to decide whether judges could retain their places on the CFA.

Mr Lu's remarks appeared to contradict repeated Government claims that establishing the CFA on the basis of a contentious 1991 Joint Liaison Group (JLG) accord, which limits the number of foreign judges to one, would ensure its survival beyond the handover. It also dashed British hopes of winning reassurances on the CFA's

continuity when the issue is raised with Chinese officials during Tuesday's [13 December] JLG meeting.

Hong Kong's Director of Administration, Richard Hoare, admitted last night Mr Lu's remarks would complicate the already difficult task of pushing the bill through the Legislative Council. He said Britain would ask Beijing to clarify Mr Lu's comments since they seemed, based on press reports, at odds with the Basic Law's guarantee that all judges could remain in place beyond 1997.

The Legislative Council's legal representative, Simon Ip Sik-on, said the lack of a through train made any talk of supporting the CFA bill "a waste of time". "Mr Lu's remarks have cast uncertainty over the bill. Why do we need to study the bill and create so many arguments if there is no guarantee of a through train?" he asked.

Democratic Party chairman, barrister Martin Lee Chuming, said Mr Lu's comments showed "how pointless it is for the British Government to persist in implementing a bad deal on the court".

Mr Lu, speaking in Beijing yesterday afternoon, said the Basic Law gave no details about transitional arrangements for the judiciary. He said this meant the appointment of judges after 1997 would be decided by the legislature and Chief Executive of the Special Administrative Region (SAR), on the advice of an independent Judicial Services Commission. Senior mainland officials believe this makes it difficult for judges to ride the through train since Beijing will not recognise their endorsement by a pre-1997 Legislative Council, which is to be dissolved upon the handover.

Although the Law Society Council has now agreed to support the bill, the Bar Association overwhelmingly rejected it last Thursday. Leading lawyers have repeatedly said there was "no point" in accepting the bill without Beijing's assurance the judges would continue sitting after 1997.

Mr Hoare admitted that the Government saw the "whole purpose" of the JLG accord as providing a through train for the court. He said Britain accepted the judges might have to undergo some symbolic re-nomination process after the handover, but believed no individual appointee need be removed from the court. "From what Mr Lu has said it seems the court itself will go through 1997 and that is a very positive development," he said. "But his remarks on the judges appear to contradict Article 93 of the Basic Law and we will have to seek clarification of this." Article 93 guarantees that judges serving in Hong Kong before 1997 "all remain in employment and retain their seniority with pay, allowances, benefits and conditions of service no less favourable than before".

But Mr Lu also said China still recognised the 1991 JLG agreement and would like to see the court in place before 1997—even without a through train. "We would welcome it if the British Government could have the court up and running before the handover," he said.

But Mr Lu also raised the possibility of China making unilateral preparations of its own, saying the Preliminary Working Committee's (PWC's) political sub-group had suggested setting up a CFA modelled on the Basic Law. "Since we no longer have any fantasies about Britain, we should prepare ourselves for the worst," he said.

Mr Lu again attacked Britain's refusal to countenance official contacts with the PWC. "Why do they have to adopt a discriminatory attitude?" he said, at a press conference to end the PWC's fourth plenary session. "There are still all those formal documents (banning meetings with) the PWC as well as the instructions to civil servants."

He rejected suggestions China had softened its stance towards Britain by emphasising co-operation during the just-concluded PWC session. PWC chairman, China's Foreign Minister Qian Qichen, stressed the need to strengthen contacts with Hong Kong people during his closing speech to the PWC yesterday. But he said only those who are "patriotic" should be allowed to participate in the management of the SAR's affairs.

Governor 'Surprised' by Lu Remarks

HK1112061694 Hong Kong RTHK Radio Four in English 0500 GMT 11 Dec 94

[From the "News at One"; passages in quotation marks recorded]

[FBIS Transcribed Text] The Governor Chris Patten has expressed surprise at the remark by the head of Hong Kong and Macao Affairs Office Lu Ping that judges appointed to the Court of Final Appeal won't be guaranteed places after 1997. Lu Ping was reported as saying the Basic Law made no provision for a judges through train. Speaking before leaving on a trip to Korea this morning, the Governor said the matter will taken up at a meeting of the Sino-British Joint Liaison [JLG] Group in London later this week.

[Patten] "I was slightly surprised by the reports this morning to that effect. I was pleased that Director Lu underlined the importance of the 1991 agreement on the Court of Final Appeal. But I was slightly surprised by reported remarks which seem to be in flat contradiction to Basic Law Article 93. We'll be discussing the Court of Final Appeal in the meeting of the JLG that is taking place later this week in London. And obviously we like to have clarification of that remark."

The Governor said he hopes China will confirm that it stands by an agreement made on the matter in 1991. He said people in Hong Kong want more certainty over the future rule of law.

[Patten] "Well, I think it is extremely important for confidence in the future, that there shouldn't be questions raised about Hong Kong's institutions, about Hong Kong's judges, about matters like right of abode and

immigration issues. How can it possibly be conducive to confidence and stability to raise questions about those matters?"

The attorney general, Jeremy Mathews, has reiterated that the Court of Final Appeal must be set up before 1997. Speaking after a public function, he said the Court of Final Appeal bill would be introduced into the Legislative Council in 1995.

[Mathews] "I am looking forward to having the agreement with the Chinese side to the bill, the bill that has been drafted to implement the 1991 agreement, so I would find it difficult to understand on what basis the bill would not find acceptance by the Chinese side. It implements the 1991 agreement. As I said, there will be discussions in the JLG next week in London, and I wouldn't want to preempt the outcome of those discussions."

However, speaking at the same function, the deputy head of the local branch of XINHUA, Zhang Junsheng, said the British Government should stop using delaying tactics and stick to the agreement reached by Britain and China in 1991.

Zhang Junsheng on Court

OW1212040194 Beijing XINHUA in English 0333
GMT 12 Dec 94

[FBIS Transcribed Text] Hong Kong, December 12 (XINHUA)—Zhang Junsheng, deputy director of XINHUA NEWS AGENCY Hong Kong branch, urged the British side to set up the Court of Final Appeal (CFA) before 1997.

At a gathering held here on Sunday [11 December], Zhang noted that the transfer of the CFA has to be negotiated only between the Chinese and British sides.

He said that the Basic Law of the Hong Kong Special Administrative Region (SAR) has clearly defined that the SAR should enjoy the power of final adjudication which shall be vested in the Court of Final Appeal of the region.

The SAR Basic Law has also stipulated the procedure for setting up the CFA in SAR and the nomination of the judges, he added.

But, he noted, none of the articles in the Basic Law guarantees a through-train for the CFA established before 1997.

He said that in the negotiations of the Sino-British Joint Liaison Group in 1991, the Chinese and British sides agreed in principle to set up a CFA in Hong Kong before 1997.

However, he said, there was no progress in the establishment of the CFA in Hong Kong in the past three years due to the British side's failure to implement the agreement.

He said the British side even went out of its way to let the Legislative Council in Hong Kong examine the CFA issue, adding that "giving discretionary power to the Legislative Council in Hong Kong to decide the CFA issue means putting the body above the Chinese and the British Governments, he added.

He said the transfer of the judges of the CFA is a matter of sovereignty, which should be discussed only by the Chinese and British sides.

Article Queries Governor's Salary, Trips

HK0912134694 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1031 GMT 9 Dec 94

["Special article" by correspondent Gan Cheng (3927 2110): "Chris Patten About To Go on Foreign Visits Again"]

[FBIS Translated Text] Hong Kong, 9 Dec (ZHONGGUO TONGXUN SHE)—Hong Kong Governor Chris Patten is about to travel overseas again; he will visit the ROK and Japan between the 11th and 16th of this month.

At a Hong Kong Legislative Council question-and-answer session convened a few days ago, a councillor criticized Chris Patten for being away from Hong Kong all the time and leaving many urgent matters in Hong Kong behind him, and he dubbed him the "off-shore Hong Kong governor." But Chris Patten remained firm about the number of his visits to foreign countries and refused to reduce them. It is known that he is scheduled to visit Vietnam next March and, after that, possibly Africa or South America.

It has been calculated that this year alone, Chris Patten has made eight visits totaling 94 days, which means that, on average, he has been absent from Hong Kong more than one day in four. Chris Patten's annual salary is reported to be HK\$2.136 million [Hong Kong dollars]; he receives a total of HK\$978,000 in child education allowances and entertainment expenses and a housing allowance of HK\$269,000. In all, Hong Kong taxpayers pay him over HK\$3.38 million each year. However, Chris Patten does not seem to have much to do here, as he spends a quarter of the year away from Hong Kong. Some might say: He has to travel around as he is playing the "international" card in his attempt to internationalize the Hong Kong issue. Is this true? Only Chris Patten himself knows.

Chris Patten has given people the impression that he does not want to be confined to Hong Kong ever since he assumed the governorship of Hong Kong in 1992. To date he has made 18 visits, logging 197 days of absence from Hong Kong. The Hong Kong Government has never publicized the amount of money spent on each of these visits made over the last two years or so, or the total amount of all 18 visits. Are Hong Kong taxpayers entitled to know this?

Article on Prospects for Press Freedom, Part 1

HK0912153094 Hong Kong HSIN PAO in Chinese 12
Nov 94 p 6

[Article by Li Chin-chuan (2621 6855 6898), visiting professor at the Chinese University of Hong Kong: "Press Freedom Is Barometer of One Country, Two Systems (Part One of Two)"]

[FBIS Translated Text] Hong Kong has become a mature capitalist society and has fixed market laws to follow. This will not be changed according to the will of the Beijing authorities or one or two leaders. After all, China must safeguard Hong Kong's free economic market. As long as citizens have a free choice of media, press freedom will have a certain degree of institutional protection. The market of course is not a panacea. It can bring many problems and even distort the value of culture. The Frankfurt school and recent cultural studies have carried out quite penetrating and incisive criticism on this, so I shall not dwell on this topic. However, the market can indeed perform a self-regulatory function to some extent. At the least, the authorities cannot directly control millions of consumers, but instead have to work on a handful of proprietors or journalists only. Through the buffering of these millions of consumers, political control becomes indirect and subtle.

However, the lifeline of the media lies in its credibility. Mouthpieces which take sides will undoubtedly be cast aside [sentence as published]. As long as the avenue of media competition is unblocked, a potentate will not be able to suppress the media. It may be able to suppress one institution, but cannot suppress the entire media community; they may be able to effect a temporary suppression, but not a permanent one. Some may be less bold, others may be more daring. If the more daring publish an inside story, the less bold will certainly follow it up for political arbitration or market reasons. As a result, society as a whole will maintain a rather high degree of transparency.

To Hold Sway Over Everything Is By No Means Easy

We have witnessed that after the ownership of "SOUTH CHINA MORNING POST" changed hands, the new-comer "EASTERN EXPRESS" immediately proclaimed itself to be the only independent English-language paper in Hong Kong, which indirectly prompted the "SOUTH CHINA MORNING POST" to maintain its criticism of the mainland without showing any signs of trimming its sails.

Decades ago, during the martial law period in Taiwan, the garrison headquarters and cultural council not only had to move among the mainstream media trying to find a balance, but they were also busy playing hide-and-seek with non-Kuomintang magazines outside the system. Hong Kong cannot possibly regress to a scenario like that in Taiwan and is even less likely to follow the example of Beijing or Singapore.

Some say that the bosses of many Hong Kong media organizations have built close business partnerships with China and some, coveting the mainland market, appease northern VIP's in every possible way. After all, businessmen have no motherland in their mind and for them money is everything. Their political and business interests are intertwined, therefore, they will certainly sacrifice press freedom at critical moments. Is this true? I think there is such a possibility, but not a large one.

Media operation is a complex process of cultural production and reproduction and cannot follow a uniform slogan or movement. Generally speaking, those who choose journalism as a career tend to be a bit romantic and idealistic. Most journalists in Hong Kong have accepted the Western concept of professionalism, so interference by bosses in journalistic operations is not only limited, but can even cause a messy backlash. Furthermore, these bosses must take care of their interests both in the mainland and Hong Kong. To protect their mainland interests, they will naturally try to please (or at least try not to offend) the Chinese authorities as much as possible. But their media interests in Hong Kong must depend on credibility built up over a long period of time through free reporting and free comment. These two sets of interests are different but connected. How can they solve the contradiction between them? I think they will probably resort to the old Chinese trick of "feigned compliance," that is, they will make some political compromise when it comes to things that do not matter much, but on critical issues they will aim at bigger interests by observing the law of the media. Therefore, in my opinion, their stand will swing like a pendulum.

Besides, they might also show a distinction between the interior and the facade. In the 1980's, MING PAO editorials often smacked of compromise toward the CPC presence, but columns inside the paper were all colors of the rainbow. This way, fragrant flowers were mingled with poisonous weeds and both political attitudes and commercial interests were catered to. This clever strategy will probably be adopted by many in the years to come.

Looking from another perspective, one can appreciate that the fact so many people are worried about the threat to press freedom in Hong Kong points to the very vitality of the Hong Kong media. Journalists are more on guard, but they have not given up, and they still form an important watchdog mechanism. A saying from the mainland aptly describes this situation: Each policy made by the superior has a counter-policy from the subordinate. Post-modernists emphasize that a dominant mainstream consciousness may be interpreted as subversion, transforming dominant information into a force of emancipation. This theory has caused endless controversy in the academic world, but it does indicate to us that press control is not free of loopholes.

Those who experienced the "white terror" in Taiwan all practiced reading between the lines; mainlanders are

even more adept at reading behind media reports, finding out how one policy may lead to another. It will by no means be an easy job to control the media in Hong Kong's basically open media system.

Road Ahead Overgrown With Brambles

A saying goes: Where there is oppression, there is rebellion. Beijing arrested MING PAO reporter Xi Yang and awarded him a 12-year prison sentence, causing strong indignation among Hong Kong's journalists, who held large-scale demonstrations in front of XINHUA News Agency. They did not try to play safe to protect themselves. Asia Television executives' erroneous decision to ban an Italian documentary which might have offended the CPC, although it was withdrawn later, led to the resignation of several senior journalists in a gesture of protest. Such protests will keep happening. Besides, the rapid progress of new communications technology, from satellites to laser disks, has completely changed the traditional role of the media. How can it be completely blocked and obliterated by a few people or a few bureaucratic organizations?

This is why Hong Kong's press freedom is bound to be in a dynamic process of struggle between constant domination and constant counter-domination. This cannot be comprehended by formalists on the basis of simplistic, abstract concepts.

The final point about this is that Hong Kong's press freedom also has to depend on change on the mainland itself. I remember the analogy of an "elephant" and a "mouse" that former Canadian prime minister Pierre Trudeau once drew when describing U.S.-Canadian relations. He said: No matter how much goodwill the elephant has, even turning its body or snoring makes the mouse shake. If China has internal troubles, people in Hong Kong will be on tenterhooks and unable to enjoy good times.

Deng Xiaoping's reform and opening up has changed China from "totalitarianism" into "authoritarianism" and has taken the road of separating politics from economics, giving the press and media some breathing space. Hu Shi, a modern Chinese writer and philosopher, once said: Under Kuomintang rule, one had no freedom of speech, but one had the freedom not to speak; under the CPC's rule, one has neither freedom to speak nor freedom not to speak.

Relatively speaking, there was enough freedom of speech under Kuomintang rule; under CPC rule, over the past 15 years, basically there has been no large-scale political movement (with the exception of the "4 June incident"), and the people have at least earned the freedom not to speak. Normally, private conversations and airings of opinions in private have no boundaries, but the media of course cannot openly speak. This kind of passive freedom means political interference with the people's lives has been greatly reduced compared to before.

In the 1940's, Chu Anping, a member of the United Democrats, made this brilliant remark: "To be honest, now we are striving for freedom, and under Kuomintang rule, it is still a question of how much freedom we can get; if the CPC comes to power, it will be a question of whether or not we have any freedom at all." If freedom is a continuum, the press and media on the mainland have finally, through a very, very slow process, evolved from a question of "presence or absence" to a matter of "how much."

Even this tiny progress has been paid for with a price that no one can say is small. The road ahead is strewn with brambles.

Without Press Freedom, There Will Be No Two Systems To Speak of

In the final analysis, if China is doing alright, Hong Kong will be alright. But if China is not alright, we can only hope it will not bring Hong Kong along on its way to destruction. The people of Hong Kong wish the best for China, at least in their own interests if not for the future of the nation.

If the authorities in Beijing cannot understand this and accuse any critical comments of "pointing fingers," "one country, two systems" will not come true even if the Hong Kong public can "carry on with their horse racing, singing and dancing, and money-making."

To put it bluntly, press freedom is a barometer of "one country, two systems." Without press freedom, Hong Kong will only have "one country," but not "two systems." This is what all those who care about Hong Kong should guard against. By the way, the policy of "one country, two systems" was initially designed to turn Hong Kong into a model to show Taiwan in the reunification effort, but now Beijing's policies toward Hong Kong and Taiwan seem to be farther and farther apart. Taiwan should keep a close watch on this ongoing development and should try to find the right way to react.

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